Ardshinbank

Ardshinbank OJSC
Interim Financial Statements
For the period ended 30 June 2026

	Notes	01/04/2026-30/06/2026 AMD'000	01/01/2026-30/06/2026 AMD'000	01/04/2025-30/06/2025 AMD'000	01/01/2025-30/06/2025 AMD'000
Interest income	4	55,145,970	108,456,043	47,090,187	92,451,295
Interest expense		(19,102,808)	(36,696,815)	(13,633,294)	(26,801,380)
Net interest income		**36,043,162**	**71,759,228**	**33,456,893**	**65,649,915**
Fee and commission income	5	8,349,840	15,777,347	7,213,092	14,830,540
Fee and commission expense		(2,513,582)	(5,133,402)	(2,920,134)	(5,048,121)
Net fee and commission income		**5,836,258**	**10,643,945**	**4,292,958**	**9,782,419**
Net gain/(loss) on loans to customers at fair value through profit or loss		(1,025,901)	(1,354,308)	(689,057)	(976,979)
Net gain/(loss) on financial instruments at fair value through profit or loss		2,720,808	3,604,933	1,469,405	164,203
Net foreign exchange gain	6	14,734,948	28,309,230	14,876,555	37,070,211
Net gain (loss) on investment securities		542,190	1,528,639	(26,478)	22,487
Other operating income (expenses)		1,501,262	2,893,359	1,287,969	2,524,834
Operating income		**60,352,727**	**117,385,026**	**54,668,245**	**114,237,090**
Impairment losses on financial instruments	7	331,294	(1,184,163)	(739,076)	(2,252,533)
Other impairement (losses)/recovery		(345,951)	(345,951)	-	-
Personnel expenses		(12,839,123)	(23,317,052)	(9,746,392)	(20,698,360)
Other general administrative expenses	8	(3,907,895)	(8,067,520)	(3,380,007)	(6,724,618)
Profit (loss) before income tax		**43,591,052**	**84,470,340**	**40,802,770**	**84,561,579**
Income tax expense	9	(7,935,287)	(15,695,130)	(7,784,196)	(15,802,403)
Profit (loss) for the period		**35,655,765**	**68,775,210**	**33,018,574**	**68,759,176**
Other comprehensive income(loss), net of income tax					
Items that are or may be reclassified subsequently to PL:					
Revaluation reserve for financial assets at fair value through other comprehensive income:		*411,730*	*(149,926)*	*(14,388)*	*235,686*
- Net change in fair value		823,226	(296,277)	(20,708)	209,072
- Net change in fair value transferred to profit or loss		(411,496)	146,351	6,320	26,613
Total items that are or may be reclassified subsequently to profit or loss					
Revaluation reserve for land and buildings		-	-	-	-
Total items that will not reclassified to profit or loss		-	-	-	-
Other comprehensive income(loss) for the period, net of income tax		411,730	(149,926)	(14,388)	235,686
Total comprehensive income(loss) for the period		36,067,495	68,625,284	33,004,185	68,994,862

Artak Ananyan
Chairman of Management Board

Armine Khachatryan
Chief Accountant

Approval date 14.07.2026

Ardshinbank

	Note	30/06/2026 AMD'000	31/12/2025 AMD'000
ASSETS			
Cash and cash equivalents	10	449,366,045	407,862,409
Investment securities at fair value through other comprehensive income	11		
- Held by the Bank		45,606,408	33,862,643
- Pledged under sale and repurchase agreements		29,375,811	46,333,701
Loans and advances to banks and financial institutions and other requirements	12	402,862,406	320,445,148
Loans to customers	13	1,665,275,583	1,464,143,122
Investment securities measured at amortised cost	14		
- Held by the Bank		123,855,440	180,746,120
- Pledged under sale and repurchase agreements		107,609,522	175,942,109
Property, equipment and intangible assets	15	31,417,830	31,154,825
Current tax asset		-	-
Deferred tax asset	9	-	-
Other assets	16	11,493,670	9,868,223
Total assets		**2,866,862,716**	**2,670,358,300**
LIABILITIES			
Deposits and balances from banks	17	231,956,394	325,827,575
Current accounts, deposits and other balances from customers	19	1,791,186,382	1,677,998,073
Debt securities issued	18	225,023,460	2,206,392
Current tax liability		11,943,893	24,844,333
Deferred tax liability		8,387,217	7,934,117
Other borrowed funds	20	171,018,143	181,216,637
Other liabilities	21	33,046,426	24,367,481
Total liabilities		**2,472,561,915**	**2,244,394,607**
EQUITY			
Share capital	22	200,000,000	200,000,000
Share premium		51	51
Revaluation surplus for land and buildings		9,272,426	9,272,426
Fair value reserve for investment securities		2,306,033	2,455,958
General Reserve		24,069,528	17,215,980
Retained earnings		158,652,763	197,019,278
Total equity		**394,300,801**	**425,963,693**
Total liabilities and equity		**2,866,862,716**	**2,670,358,300**

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Approval date 14.07.2026

	01/01/2026 30/06/2026 AMD'000	01/01/2025 30/06/2025 AMD'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	106,759,908	90,811,082
Interest payments	(29,862,012)	(27,493,966)
Fees and commissions received	15,777,347	14,830,540
Fees and commissions paid	(5,133,402)	(5,048,121)
Net receipts from foreign exchange	30,909,086	37,181,611
Other income receipts	2,957,543	2,524,711
Personnel expenses and other general administrative expenses payments	(23,815,504)	(20,943,961)
(Increase)/decrease in operating assets		
Loans and advances to banks and financial institutions	(82,834,714)	(7,983,248)
Loans to customers	(235,448,382)	(188,305,550)
Repossessed assets	(1,041,934)	54,128
Other assets	(2,356,159)	3,024,636
Increase/(decrease) in operating liabilities		
Short term deposits and balances from banks	(25,731,803)	(9,739,266)
Amounts payable under repurchase agreements	(60,525,548)	52,069,974
Current accounts and deposits from customers	162,418,427	37,436,600
Other liabilities	3,782,960	(84,996)
Net cash from (used in) from operating activities before taxes paid	**(144,144,186)**	**(21,665,827)**
Income tax paid	(27,482,713)	(24,001,813)
Cash flows from (used in) operations	**(171,626,899)**	**(45,667,640)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment securities	125,750,897	53,673,655
Property and equipment and intangible assets	(1,249,191)	(2,096,351)
Cash flows from investing activities	**124,501,706**	**51,577,304**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from borrowed funds	3,563,656	31,535,724
Repayments of borrowed funds	(10,588,417)	(36,056,878)
Proceeds from debt securities issued	227,448,000	-
Repayment and buy-back of debt securities issued	(2,200,000)	(56,084,773)
Payments related to issuance of debt securities	(2,288,579)	-
Proceeds from issue of share capital	-	97,545,600
Repayment of lease liability	(845,925)	(655,846)
Dividends paid	(100,288,178)	(103,100,000)
Cash flows from financing activities	**114,800,557**	**(66,816,172)**
Net increase/(decrease) in cash and cash equivalents	**67,675,364**	**(60,906,508)**
Effect of changes in exchange rates on cash and cash equivalents	(26,175,406)	15,070,961
Effect of changes in expected credit loss on cash and cash equivalents	3,677	(1,960)
Cash and cash equivalents at the beginning of the period	407,862,409	518,989,227
Cash and cash equivalents at the end of the period	**449,366,045**	**473,151,720**

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Chairman of Management Board

Armine Khachatryan
Chief Accountant

Approval date 14.07.2026

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«ARDSHINBANK»
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AMD'000	Share capital	Share premium	Revaluation surplus for land and buildings	Fair value reserve for investment securities	General reserve	Retained earnings	Total equity
Balance as at 1 January 2025	**102,454,400**	**51**	**5,649,451**	**(3,828)**	**10,580,485**	**204,243,315**	**322,923,874**
Total comprehensive income							
Profit for the period	-	-	-	-	-	68,759,176	68,759,176
Replenishment of general reserve	-	-	-	-	6,635,495	(6,635,495)	-
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:							
Net change in fair value of investment securities at FVOCI, net of income tax	-	-	-	209,072	-	-	209,072
Net change in fair value of investment securities at FVOCI transferred to profit or loss, net of income tax	-	-	-	26,613	-	-	26,613
Total items that are or may be reclassified subsequently to profit or loss	-	-	-	235,686	-	-	235,686
Items that will never be reclassified to profit or loss							
Revaluation of property and equipment, net of income tax	-	-	-	-	-	-	-
Transfer of revaluation surplus to retained earnings	-	-	-	-	-	-	-
Total items that will never be reclassified to profit or loss	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	235,686	-	-	235,686
Total comprehensive income for the period	-	-	-	**235,686**	**6,635,495**	**62,123,681**	**68,994,862**
Transactions with owners of the Company							
Issue of ordinary shares	48,000,000	-	-	-	-	-	48,000,000
Dividends declared	49,545,600	-	-	-	-	(103,100,000)	(53,554,400)
Total transactions with owners of the Company	**97,545,600**	-	-	-	-	**(103,100,000)**	**(5,554,400)**
Balance as at 30 June 2025	**200,000,000**	**51**	**5,649,451**	**231,858**	**17,215,980**	**163,266,997**	**386,364,336**

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Chief Accountant

Approval date 14.07.2026

AMD'000	Share capital	Share premium	Revaluation surplus for land and buildings	Fair value reserve for investment securities	General reserve	Retained earnings	Total equity
Balance as at 1 January 2026	**200,000,000**	**51**	**9,272,426**	**2,455,958**	**17,215,980**	**197,019,277**	**425,963,693**
Total comprehensive income							
Profit for the period	-	-	-	-	-	68,775,210	68,775,210
Replenishment of general reserve	-	-	-	-	6,853,548	(6,853,548)	-
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss:							
Net change in fair value of investment securities at FVOCI, net of income tax	-	-	-	(296,277)	-	-	(296,277)
Net change in fair value of investment securities at FVOCI transferred to profit or loss, net of income tax	-	-	-	146,351	-	-	146,351
Total items that are or may be reclassified subsequently to profit or loss	-	-	-	(149,926)	-	-	(149,926)
Items that will never be reclassified to profit or loss							
Revaluation of property and equipment, net of income tax	-	-	-	-	-	-	-
Total items that will never be reclassified to profit or loss	-	-	-	-	-	-	-
Transfer from revaluation surplus to retained earnings	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	(149,926)	-	-	(149,926)
Total comprehensive income for the period	**-**	**-**	**-**	**(149,926)**	**6,853,548**	**61,921,662**	**68,625,284**
Transactions with owners of the Bank							
Issue of ordinary shares	-	-	-	-	-	-	-
Issue of preferred shares	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	(100,288,178)	(100,288,178)
Total transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**(100,288,178)**	**(100,288,178)**
Balance as at 30 June 2026	**200,000,000**	**51**	**9,272,426**	**2,306,033**	**24,069,528**	**158,652,762**	**394,300,800**

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Approval date 14.07.2026

1 Background

(a) Organisation and operations

Ardshinbank OJSC (the “Bank”) was established in the Republic of Armenia as a closed joint stock company in 2003.

Since November 25, 2025, the closed joint-stock company “Ardshinbank” has been transformed into an open joint-stock company and continues its activities under the name Open Joint-Stock Company “Ardshinbank” (OJSC “Ardshinbank”).

The principal activities are deposit taking, customer accounts maintenance, credit operations, issuing guarantees, cash and settlement transactions and securities and foreign exchange transactions. The Bank’s activities are regulated by the Central Bank of Armenia (CBA). The Bank has a general banking license and is a member of the state deposit insurance system in the Republic of Armenia.

The Bank has 72 branches (as of 31 December 2025: 71 branches) from which it conducts business throughout the Republic of Armenia. The registered address of the head office is 13 Grigor Lusavorich Street, Yerevan, Republic of Armenia. The majority of the Bank’s assets and liabilities are located in the Republic of Armenia.

Pursuant to the laws of Armenia and the Bank Charter, the control and management of the Bank is divided among the shareholders, the Board of Directors and the Management Board, which is the collective executive body, and the Chairman of the Management Board, who is the sole individual executive body. The shareholders function as the ultimate governing body of the Bank and have the exclusive authority to approve certain material decisions.

The Bank’s parent company is Arins Group LLC, which is controlled by a single individual, Karen Safaryan, who is also the Chairman of the Board of Directors of the Bank.

(b) Armenian business environment

The Bank’s operations are primarily located in Armenia. Consequently, the Bank is exposed to the economic and financial markets of Armenia which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in Armenia.

In February 2022, because of the military conflict between the Russian Federation and Ukraine, a number of countries imposed sanctions against the Russian Federation. The conflict affects not only the economic activity of two countries but the global economy as well. As a result of sanctions, commodity and food prices have risen in many countries around the world, the established links between supply of resources have been disrupted, inflation also affects the prices, and analysts also forecast economic implications for the global industry.

The financial statements reflect management’s assessment of the impact of the Armenian business environment on the operations and the financial position of the the Bank. The future business environment may differ from management’s assessment.

2 Basis of accounting

(a) Statement of compliance

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Bank's annual financial statements as at 31 December 2025.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis except that financial instrument at fair value through profit or loss and through other comprehensive income are stated at fair value and buildings are stated at revalued amounts.

(c) Functional and presentation currency

The functional currency of the Bank is the Armenian Dram (AMD) as, being the national currency of the Republic of Armenia, it reflects the economic substance of most underlying events and circumstances relevant to the Bank.

The AMD is also the presentation currency for the purposes of these interim financial statements. The official CBA exchange rates at 30 June 2026 and 31 December 2025 were AMD 367.89 and AMD 381.36 to USD 1, and AMD 419.47 and AMD 449.01 to EUR 1, respectively.

Financial information presented in AMD is rounded to the nearest thousand.

(d) Use of estimates and judgments

The judgements, estimates and assumptions made in preparation of these interim financial statements are in consistent with those made in the preparation of the Bank's annual financial statements for the year ended 31 December 2025. Actual results may differ from these estimates.

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

3 Significant accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2025. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025, but does not have an impact on the interim financial statements of the Bank.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Bank's financial statements.

The tables presented in the notes to the statement of profit or loss and other comprehensive income include cumulative information for the reporting quarter and the reporting year.

4 Net interest income

	01/04/2026 - 30/06/2026 AMD'000	01/01/2026 - 30/06/2026 AMD'000	01/04/2025 - 30/06/2025 AMD'000	01/01/2025 - 30/06/2025 AMD'000
Interest income				
Loans to customers	43,808,057	84,812,927	35,913,129	68,666,210
Investment securities measured at fair value through other comprehensive income	1,506,482	2,821,124	1,268,721	2,481,603
Investment securities measured at amortised cost	5,261,030	11,333,264	4,555,945	10,127,096
Cash and cash equivalents	2,409,047	5,349,973	2,754,882	6,170,083
Loans and advances to banks and financial institutions	2,161,354	4,138,755	2,597,510	5,006,303
Other	-	-	-	-
	55,145,970	**108,456,043**	**47,090,187**	**92,451,295**
Interest expense				
Current accounts and deposits from customers	10,864,558	21,340,773	9,055,561	17,366,427
Deposits and balances from banks and other borrowed funds	4,266,589	8,313,624	4,362,884	8,705,487
Debt securities issued	3,783,245	6,666,703	101,610	507,741
Lease liabilities	188,416	375,715	113,240	221,725
	19,102,808	**36,696,815**	**13,633,295**	**26,801,380**

5 Fee and commission income

	01/04/2026 - 30/06/2026 AMD'000	01/01/2026 - 30/06/2026 AMD'000	01/04/2025 - 30/06/2025 AMD'000	01/01/2025 - 30/06/2025 AMD'000
Cash withdrawal and accounts service	1,105,354	2,201,386	992,357	1,659,245
Remittances	3,651,863	6,605,064	3,206,129	6,559,697
Plastic card servicing	2,389,957	4,512,137	1,941,586	3,868,179
Guarantee and letter of credit issuance	585,150	1,136,350	382,113	803,866
Brokerage and custodian services	544,808	1,186,272	585,896	1,466,464
Other	72,708	136,137	105,010	473,090
	8,349,840	**15,777,347**	**7,213,092**	**14,830,540**

6 Net foreign exchange income

	01/04/2026 - 30/06/2026 AMD'000	01/01/2026 - 30/06/2026 AMD'000	01/04/2025 - 30/06/2025 AMD'000	01/01/2025 - 30/06/2025 AMD'000
Gain on spot transactions	16,661,416	30,909,086	16,083,696	37,159,124
(Loss)/ gain from revaluation of financial assets and liabilities	(1,926,468)	(2,599,857)	(1,207,141)	(88,913)
	14,734,948	**28,309,230**	**14,876,555**	**37,070,211**

7 Impairment losses

	01/04/2026 - 30/06/2026	01/01/2026 - 30/06/2026	01/04/2025 - 30/06/2025	01/01/2025 - 30/06/2025
	AMD'000	**AMD'000**	**AMD'000**	**AMD'000**
Loans to customers	40,300	(1,433,552)	(739,076)	(2,252,533)
Other financial assets	290,994	249,389	-	-
	331,294	**(1,184,163)**	**(739,076)**	**(2,252,533)**

Movements in the loan impairment allowance by classes of loans to customers for the period ended 30 June 2026 and 30 June 2025 are as follows:

Significant changes in the loan impairment allowance amount of retail and corporate portfolios during the period that contributed to changes in loss allowance were as follows:

	30/06/2026			
Loans to customers at amortised cost AMD'000	**Corporate customers**	**Retail customers**	**Other**	**Total**
Net remeasurement of loss allowance	572,057	979,353	696,094	2,247,503
New financial assets originated or purchased	(1,485,997)	(2,317,309)	(446,705)	(4,250,011)
Subtotal	**(913,940)**	**(1,337,956)**	**249,389**	**(2,002,507)**
Recoveries of amounts previously written off	423,618	394,727	-	818,345
Total	**(490,323)**	**(943,229)**	**249,389**	**(1,184,163)**

	30/06/2025			
Loans to customers at amortised cost AMD'000	**Corporate customers**	**Retail customers**	**Other**	**Total**
Net remeasurement of loss allowance	1,390,765	(952,506)	411,268	849,527
New financial assets originated or purchased	(1,111,197)	(1,519,900)	(600,155)	(3,231,252)
Subtotal	**279,567**	**(2,472,406)**	**(188,887)**	**(2,381,725)**
Recoveries of amounts previously written off	1,633	127,559	-	129,192
Total	**281,201**	**(2,344,847)**	**(188,887)**	**(2,252,533)**

The following tables show reconciliations from the opening to the closing balances of the loss allowance for 2026

	30/06/2026				
AMD'000	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers at amortised cost – corporate customers					
Balance at 1 January	4,545,493	805,281	1,826,135	-	7,176,909
Transfer to Stage 1	68,586	(32,567)	(36,019)	-	-
Transfer to Stage 2	(157,468)	176,575	(19,107)	-	-
Transfer to Stage 3	(658,186)	(901,493)	1,559,679	-	-
Net remeasurement of loss allowance	(781,704)	387,516	(500,619)	(100,869)	(995,674)
New financial assets originated or purchased	1,485,997	-	-	-	1,485,997
Recognized in statement of profit or loss	704,293	387,516	(500,619)	(100,869)	490,323
Foreign exchange adjustments	(122,261)	(11,352)	(70,923)	-	(204,536)
Partial write-offs	-	-	(976,319)	-	(976,319)
Write-offs	-	-	315,526	100,869	416,394
Balance at 30 June	4,380,458	423,960	2,098,353	-	6,902,771

	30/06/2026				
AMD'000	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers at amortised cost – retail customers					
Balance at 1 January	3,357,489	1,048,905	3,239,426	-	7,645,820
Transfer to Stage 1	281,238	(177,916)	(103,322)	-	-
Transfer to Stage 2	(960,189)	1,082,626	(122,437)	-	-
Transfer to Stage 3	(179,052)	(1,808,885)	1,987,938	-	-
Net remeasurement of loss allowance	(1,414,899)	1,123,034	(1,082,214)	-	(1,374,080)
New financial assets originated or purchased	2,317,309	-	-	-	2,317,309
Recognized in statement of profit or loss	902,410	1,123,034	(1,082,214)	-	943,229
Foreign exchange adjustments	(1,355)	(106)	(727)	-	(2,188)
Partial write-offs	-	-	(284,187)	-	(284,187)
Write-offs	-	-	(199,343)	-	(199,343)
Balance at 30 June	3,400,540	1,267,659	3,435,132	-	8,103,331

The following tables show reconciliations from the opening to the closing balances of the loss allowance for 2025

	31/12/2025				
AMD'000	Stage 1	Stage 2	Stage 3	POCI	Total
Loans and advances to customers at **amortised cost – corporate customers**					
Balance at 1 January	4,487,868	91,402	3,095,476	-	7,674,746
Transfer to Stage 1	58,340	(28,455)	(29,885)	-	-
Transfer to Stage 2	(514,090)	190,918	323,172	-	-
Transfer to Stage 3	(848,863)	(98,713)	947,576	-	-
Net remeasurement of loss allowance	(1,485,636)	650,155	(1,204,672)	(215,242)	(2,255,395)
New financial assets originated or purchased	2,893,753	-	-	-	2,893,753
Recognized in statement of profit or loss	1,408,117	650,155	(1,204,672)	(215,242)	638,358
Foreign exchange adjustments	(45,879)	(26)	(20,339)	-	(66,244)
Recovery	-	-	-	215,242	215,242
Write-offs	-	-	(1,285,192)	-	(1,285,192)
Balance at 31 December	4,545,493	805,282	1,826,135	-	7,176,910

	31/12/2025				
AMD'000	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to customers at amortised cost – retail customers					
Balance at 1 January	3,077,338	1,105,282	3,084,304	-	7,266,924
Transfer to Stage 1	700,863	(473,234)	(227,629)	-	0
Transfer to Stage 2	(560,207)	1,413,874	(853,667)	-	0
Transfer to Stage 3	(1,160,755)	(836,417)	1,997,172	-	(0)
Net remeasurement of loss allowance	(2,385,810)	(160,231)	2,205,994	-	(340,047)
New financial assets originated or purchased	3,689,017	-	-	-	3,689,017
Recognized in statement of profit or loss	1,303,207	(160,231)	2,205,994	-	3,348,970
Foreign exchange adjustments	(2,957)	(370)	(461)	-	(3,788)
Write-offs	-	-	(2,966,286)	-	(2,966,286)
Balance at 31 December	3,357,489	1,048,904	3,239,427	-	7,645,820

The loss allowance in these tables includes ECL on loan commitments for certain corporate products, retail products such as credit cards and overdrafts.

8 Other general administrative expenses

	01/04/2026 - 30/06/2026	01/01/2026 - 30/06/2026	01/04/2025 - 30/06/2025	01/01/2025 - 30/06/2025
	AMD'000	**AMD'000**	**AMD'000**	**AMD'000**
Depreciation and amortization	813,397	1,578,624	540,566	1,153,627
Operating lease expense	4,817	14,508	88,780	180,790
Taxes other than on income	221,047	410,880	147,715	295,153
Advertising and marketing	195,304	395,274	146,403	261,153
Deposit insurance fund	494,599	980,276	434,619	821,320
Security	49,693	103,264	76,548	152,404
Expenses of disbursement and collection of loans	267,454	578,176	291,259	532,313
Communications and information services	267,112	483,143	141,004	274,134
Repairs and maintenance	163,182	313,069	158,299	324,593
Software expenses	400,330	770,555	487,506	814,868
Utilities and office maintenance	56,026	127,543	42,142	102,963
Insurance	261,423	442,815	269,146	476,499
Cash transportation expenses	54,725	108,130	49,921	98,627
Professional services	141,640	290,796	124,596	265,695
Travel expenses	69,715	100,850	74,432	103,263
Office supplies	24,437	50,849	24,398	59,096
Charity and sponsorship	76,850	94,890	22,000	22,000
Other	346,144	1,223,879	260,673	786,119
	3,907,895	8,067,520	3,380,007	6,724,618

9 Income tax expense

	01/04/2026 - 30/06/2026 AMD'000	01/01/2026 - 30/06/2026 AMD'000	01/04/2025 - 30/06/2025 AMD'000	01/01/2025 - 30/06/2025 AMD'000
Current period tax expense	(7,579,017)	(15,181,385)	(8,591,155)	(16,146,615)
Movement in deferred tax assets and liabilities due to origination and reversal of temporary differences	(356,270)	(513,745)	806,959	344,212
Total income tax expense	**(7,935,287)**	**(15,695,130)**	**(7,784,196)**	**(15,802,403)**

Reconciliation of effective tax rate

	01/04/2026 - 30/06/2026 AMD'000	%	01/01/2026 - 30/06/2026 AMD'000	%	01/04/2025 - 30/06/2025 AMD'000	%	01/01/2025 - 30/06/2025 AMD'000	%
Profit before tax	**43,591,052**		**84,470,340**		**40,802,770**		**84,561,579**	
Income tax at the applicable tax rate	(7,846,389)	(18.0)	(15,204,661)	(18.0)	(7,344,499)	(18.0)	(15,221,084)	(18.0)
Non-taxable income (non-deductible costs)	(88,898)	(0.2)	(490,469)	(0.6)	(439,697)	(1.1)	(581,319)	(0.7)
	(7,935,287)	**(18.2)**	**(15,695,130)**	**(18.6)**	**(7,784,196)**	**(19.1)**	**(15,802,403)**	**(18.7)**

(a) Deferred tax assets and liabilities

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes give rise to net deferred tax liabilities as at 30 June 2026 and 31 December 2025. The deductible temporary differences do not expire under current tax legislation.

Movements in temporary differences during the quarter ended 30 June 2026 and 30 June 2025 are presented as follows:

AMD'000	**01.01.2026**	**Recognised in profit or loss**	**Recognised in OCI**	**30.06.2026**
Cash and cash equivalents	969	(662)	-	307
Loans and advances to banks and financial institutions	(353,077)	(244,728)	-	(597,805)
Loans to customers	(6,189,952)	(1,144,173)	-	(7,334,125)
Investment securities	(2,453)	(33,322)	60,644	24,869
Property, equipment and intangible assets	(3,584,000)	9,263	-	(3,574,737)
Other assets	208,383	(22,983)	-	185,400
Debt securities issued	-	-	-	-
Other liabilities	1,986,014	922,861	-	2,908,875
	(7,934,117)	**(513,744)**	**60,644**	**(8,387,217)**

AMD'000	01.01.2025	Recognised in profit or loss	Recognised in OCI	30.06.2025
Cash and cash equivalents	1,136	(784)	-	352
Loans and advances to banks and financial institutions	(579,397)	212,715	-	(366,682)
Loans to customers	(7,102,442)	(410,930)	-	(7,513,372)
Investment securities	493,283	29,820	(51,736)	471,367
Property, equipment and intangible assets	(2,097,291)	(33,211)	-	(2,130,502)
Other assets	162,399	21,437	-	183,836
Debt securities issued	-	-	-	-
Other liabilities	1,986,216	525,164	-	2,511,380
	(7,136,097)	**344,211**	**(51,736)**	**(6,843,622)**

(b) Income tax recognised in other comprehensive income

	01.01.2026-30.06.2026		
AMD'000	**Amount before tax**	**Tax expense**	**Amount net-of-tax**
Net change in fair value of financial assets at fair value through other comprehensive income	(515,389)	92,770	(422,619)
Net change in fair value of financial assets at fair value through other comprehensive income transferred to profit or loss	178,477	(32,126)	146,351
Net change in fair value of financial assets at fair value through other comprehensive income non-taxable	126,342	-	126,342
Revaluation of property and equipment	-	-	-
Total other comprehensive income	**(210,570)**	**60,644**	**(149,926)**

	01.01.2025-30.06.2025		
AMD'000	**Amount before tax**	**Tax expense**	**Amount net-of-tax**
Net change in fair value of financial assets at fair value through other comprehensive income	254,966	(45,894)	209,072
Net change in fair value of financial assets at fair value through other comprehensive income transferred to profit or loss	32,455	(5,842)	26,613
Revaluation of property and equipment	-	-	-
Total other comprehensive income	**287,422**	**(51,736)**	**235,686**

10 Cash and cash equivalents

	30/06/2026	31/12/2025
	AMD'000	AMD'000
Cash on hand	24,112,518	21,631,968
Nostro accounts with the CBA	22,226,925	21,919,642
Deposit with the CBA	58,007,945	145,039,715
Deposit with Banks	133,757,375	133,203,664
Nostro accounts with other banks		
- rated AA- to AA+	135,116,472	22,180,738
- rated A- to A+	69,488,866	58,633,548
- rated from BBB- to BBB+	2,014,669	2,388,865
- rated from BB- to BB+	4,223,438	1,356,078
- rated from B- to B+	112,921	127,300
- not rated	306,619	1,386,272
Total nostro accounts with other banks	**211,262,986**	**86,072,801**
Total gross cash and cash equivalents	**449,367,749**	**407,867,790**
Credit loss allowance	**(1,704)**	**(5,381)**
Total cash and cash equivalents	**449,366,045**	**407,862,409**

Ratings are based on Standard & Poor's rating system. No cash and cash equivalents are past due.

As at 30 June 2026 the Bank has three counterparty banks except for the CBA (2025: one bank), whose balances exceed 10% of equity. The gross value of these balances as at 30 June 2026 is AMD 259,758,116 thousand (2025: AMD 79,395,936 thousand).

Cash and cash equivalents are fully in Stage 1 and measured at amortised cost as at 30 June 2026 and 31 December 2025

11 Investment securities at fair value through other comprehensive income

	30/06/2026	31/12/2025
	AMD'000	AMD'000
Held by the Bank		
Debt and other fixed-income instruments		
Government securities	32,579,772	25,721,064
Corporate bonds	12,247,181	7,488,423
Total debt and other fixed-income instruments	**44,826,953**	**33,209,486**
Equity instruments		
Corporate shares	779,456	653,157
	45,606,408	**33,862,643**
Pledged under sale and repurchase agreements		
Debt and other fixed-income instruments		
Government securities	29,375,811	46,333,701
Total investment securities at FVOCI	**74,982,219**	**80,196,344**

The Bank has transactions to sell securities under agreements to repurchase and to purchase securities under agreements to resell.

The securities sold under agreements to repurchase are transferred to a third party and the Bank receives cash in exchange. These financial assets may be repledged or resold by counterparties in the absence of default by the Bank, but the counterparty has an obligation to return the securities at the maturity of the contract. The Bank has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognised them. The cash received is recognised as a financial asset and a financial liability is recognised for the obligation to repay the purchase price for this collateral, and is included in deposits and balances from banks and other borrowings (note 17).

These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities.

12 Loans and advances to banks and financial institutions

	30/06/2026 AMD'000	31/12/2025 AMD'000
Reverse repurchase agreements with related financial institutions	72,384,071	49,377,505
Reverse repurchase agreements with medium size Armenian financial institutions	30,065,474	45,518,997
Reverse repurchase agreements with resident Banks	52,981,753	35,799,117
Deposit with the Central Bank of Armenia, obligatory reserves	221,014,663	173,752,264
Deposit with non resident banks pledged for guarantees	610,252	492,959
Loans and deposits with Banks	10,253,936	-
Credit card settlement deposit with the CBA	2,362,500	9,415,000
Deposited funds in other financial institutions	769,818	708,263
Deposits with banks	4,976,074	3,987,458
Other receivable from banks	473,581	1,379,949
Unsettled transactions*	7,084,418	120,991
Currency swaps	173,333	168,674
Total gross loans and advances to banks and financial institutions	**403,149,874**	**320,721,177**
Credit loss allowance	**(287,468)**	**(276,029)**
Total net loans and advances to banks and financial institutions	**402,862,406**	**320,445,148**

None of loans and advances to banks and financial institutions are past due.

* Unsettled transactions include amounts transferred to a foreign counterparty for replenishment of a correspondent account which were cleared shortly after the year-end.

Balances with the Central Bank of Armenia include credit card settlement deposit, that is a non-interest-bearing deposit calculated in accordance with regulations issued by the Central Bank of Armenia and withdrawability of which is restricted.

Banks are required to maintain obligatory reserve with the Central Bank of Armenia for attracted funds. For funds attracted in AMD the obligatory reserve is 4% and is maintained fully in AMD. For funds attracted in foreign currencies, the reserve is 15% of the attracted funds. The Bank's ability to withdraw deposit maintained in AMD is not restricted by the statutory legislation; however, if the Bank fails to comply with minimum average monthly amount of reserve sanctions may apply. For the obligatory reserve maintained in foreign currencies the Bank is required to maintain a minimum balance at the end of each day. These reserves are not considered cash and cash equivalents and are included in loans and advances to banks.

Collateral accepted as security for assets

At 30 June 2026 the fair value of financial assets (Government securities of the Republic of Armenia) collateralizing reverse repurchase agreements is AMD 161,855,071 thousand (as at 31 December 2025: AMD 138,980,350 thousand). Bank has permission to sell or repledge financial assets, that are collateralized under reverse repurchase agreements.

These transactions are conducted under terms that are usual and customary to standard lending, and securities borrowing and lending activities.

Concentration of loans and advances to banks and financial institutions

As at 30 June 2026 the Bank has one financial institution except for the CBA (2025: has one financial institutions, except for the CBA), whose balance exceed 10% of equity. The gross value of this balance as at 30 June 2026 is AMD 71,350,431 (as at 31 December 2025: AMD 48,033,824 thousand)

13 Loans to customers

Loans to customers at amortised cost	**30/06/2026**	**31/12/2025**
	AMD'000	**AMD'000**
Loans to corporate customers	**1,044,228,722**	**899,874,417**
Loans to retail customers		
Gold loans	56,909,309	47,218,070
Credit cards	67,104,916	53,309,369
Mortgage loans	348,965,248	318,859,260
Consumer and other loans to retail customers	153,198,472	149,253,895
Total loans to retail customers	**626,177,945**	**568,640,594**
Total gross loans to customers at amortised cost	**1,670,406,668**	**1,468,515,011**
Impairment allowance	(15,006,102)	(14,822,730)
Total net loans to customers at amortised cost	**1,655,400,565**	**1,453,692,281**
Loans to customers at FVTPL		
Loans to corporate customers	9,875,018	10,450,841
Total loans to customers at amortised cost and FVTPL	**1,665,275,583**	**1,464,143,122**

(a) Credit quality of loans to customers

The following table provides information on the credit quality of loans to customers as at 30 June 2026.

	30/06/2026 **					
	Stage 1	Stage 2	Stage 3			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Purchased originated or credit impaired upon initial recognition	Loans at FVTPL	Total
	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000
Loans to corporate customers						
Internal ratings						
Grade 1: AAA-A	490,849,918	-	-	-	-	490,849,918
Grade 2: BBB-BB	429,275,558	913,106	-	-	9,875,018	440,063,682
Grade 3: B	28,836,753	8,358,121	-	-	-	37,194,875
Grade 4: CCC	16,238,396	12,270	-	-	-	16,250,666
Grade 5: D	-	-	14,567,168	9,467,795	-	24,034,963
6. not rated	44,634,566	1,075,071	-	-	-	45,709,637
Total gross loans to corporate customers	**1,009,835,191**	**10,358,568**	**14,567,168**	**9,467,795**	**9,875,018**	**1,054,103,740**
Credit loss allowance	(4,380,458)	(423,960)	(2,098,353)	-	-	(6,902,771)
Total net loans to corporate customers	**1,005,454,733**	**9,934,608**	**12,468,815**	**9,467,795**	**9,875,018**	**1,047,200,969**
Loans to retail customers						
Gold loans	55,791,139	436,288	681,883	-	-	56,909,309
Credit loss allowance	(213,642)	(36,044)	(140,996)	-	-	(390,681)
Total net gold loans	**55,577,497**	**400,244**	**540,888**	**-**	**-**	**56,518,628**
Credit cards	64,307,651	909,692	1,887,573	-	-	67,104,916
Credit loss allowance	(1,334,668)	(322,626)	(941,381)	-	-	(2,598,676)
Total net credit cards	**62,972,983**	**587,066**	**946,191**	**-**	**-**	**64,506,240**
Mortgage loans	342,715,293	1,836,562	4,353,298	60,095	-	348,965,248
Credit loss allowance	(92,667)	(30,750)	(197,844)	-	-	(321,260)
Total net mortgage loans	**342,622,626**	**1,805,812**	**4,155,455**	**60,095**	**-**	**348,643,988**
Consumer and other loans to retail customers	137,189,908	6,695,789	9,310,823	1,952	-	153,198,472
Credit loss allowance	(1,759,563)	(878,239)	(2,154,912)	-	-	(4,792,715)
Total net consumer and other loans to retail customers	**135,430,345**	**5,817,549**	**7,155,911**	**1,952**	**-**	**148,405,757**
Total gross loans to retail customers	**600,003,991**	**9,878,330**	**16,233,577**	**62,047**	**-**	**626,177,945**
Credit loss allowance	(3,400,540)	(1,267,659)	(3,435,132)	-	-	(8,103,331)
Total net loans to retail customers	**596,603,451**	**8,610,671**	**12,798,445**	**62,047**	**-**	**618,074,614**
Total gross loans to customers	**1,609,839,182**	**20,236,898**	**30,800,745**	**9,529,842**	**9,875,018**	**1,680,281,686**
Credit loss allowance	(7,780,998)	(1,691,619)	(5,533,486)	-	-	(15,006,102)
Total net loans to customers	**1,602,058,184**	**18,545,280**	**25,267,260**	**9,529,842**	**9,875,018**	**1,665,275,583**

31/12/2025 **

	Stage 1 12-month ECL	Stage 2 Lifetime ECL not credit-impaired	Stage 3 Lifetime ECL credit-impaired	Purchased originated or credit impaired upon initial recognition	Loans at FVTPL	Total
	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000	AMD'000
Loans to corporate customers						
Internal ratings						
Grade 1: AAA-A	384,311,653	-	-	-	-	384,311,653
Grade 2: BBB-BB	405,183,376	3,945,739	-	-	10,418,029	419,547,144
Grade 3: B	21,979,214	7,743,938	-	-	32,812	29,755,964
Grade 4: CCC	15,578,664	22,380	-	-	-	15,601,044
Grade 5: D	-	-	12,378,040	9,940,962	-	22,319,002
6. not rated	37,634,400	1,156,051	-	-	-	38,790,451
Total gross loans to corporate customers	**864,687,307**	**12,868,108**	**12,378,040**	**9,940,962**	**10,450,841**	**910,325,258**
Credit loss allowance	(4,545,493)	(805,281)	(1,826,136)	-	-	(7,176,910)
Total net loans to corporate customers	**860,141,814**	**12,062,827**	**10,551,904**	**9,940,962**	**10,450,841**	**903,148,348**
Loans to retail customers						
Gold loans	46,418,497	223,972	575,601	-	-	47,218,070
Credit loss allowance	(151,945)	(12,783)	(94,324)	-	-	(259,052)
Total net gold loans	**46,266,552**	**211,189**	**481,277**	**-**	**-**	**46,959,018**
Credit cards	51,281,218	532,914	1,495,237	-	-	53,309,369
Credit loss allowance	(1,151,471)	(187,083)	(633,057)	-	-	(1,971,611)
Total net credit cards	**50,129,747**	**345,831**	**862,180**	**-**	**-**	**51,337,758**
Mortgage loans	312,596,468	1,722,514	4,311,934	228,344	-	318,859,260
Credit loss allowance	(117,565)	(38,101)	(233,633)	-	-	(389,299)
Total net mortgage loans	**312,478,903**	**1,684,413**	**4,078,301**	**228,344**	**-**	**318,469,961**
Consumer and other loans to retail customers	135,317,559	6,077,531	7,854,103	4,702	-	149,253,895
Credit loss allowance	(1,936,509)	(810,937)	(2,278,412)	-	-	(5,025,858)
Total net consumer and other loans to retail customers	**133,381,050**	**5,266,594**	**5,575,691**	**4,702**	**-**	**144,228,037**
Total gross loans to retail customers	**545,613,742**	**8,556,931**	**14,236,875**	**233,046**	**-**	**568,640,594**
Credit loss allowance	(3,357,490)	(1,048,904)	(3,239,426)	-	-	(7,645,820)
Total net loans to retail customers	**542,256,252**	**7,508,027**	**10,997,449**	**233,046**	**-**	**560,994,774**
Total gross loans to customers	**1,410,301,049**	**21,425,039**	**26,614,915**	**10,174,008**	**10,450,841**	**1,478,965,852**
Credit loss allowance	(7,902,983)	(1,854,185)	(5,065,562)	-	-	(14,822,730)
Total net loans to customers	**1,402,398,066**	**19,570,854**	**21,549,353**	**10,174,008**	**10,450,841**	**1,464,143,122**

* For loans overdue more than 270 days partial write-offs are applied.

** The loss allowance in this table includes ECL on loan commitments for certain corporate products, retail products such as credit cards and overdrafts.

Significant changes in the gross carrying amount of retail and corporate portfolios during the period that contributed to changes in loss allowance were as follows:

	30/06/2026				
AMD'000	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
	Loans to customers at amortised cost –corporate customers – gross carrying amount				
Balance at 31/12/2025	**864,687,307**	**12,868,108**	**12,378,040**	**9,940,962**	**899,874,416**
Transfer to Stage 1	455,411	(292,979)	(162,433)	-	-
Transfer to Stage 2	(3,180,330)	3,335,340	(155,010)	-	-
Transfer to Stage 3	(1,837,540)	(3,784,898)	5,622,438	-	-
Financial assets that have been fully or partially repaid	(41,208,204)	(1,222,356)	(2,005,975)	(1,065,635)	(45,502,170)
Net change in asset from foreign exchange revaluation	(31,112,365)	(544,646)	(449,099)	(219,487)	(32,325,597)
New financial assets originated or purchased	222,030,912	-	-	711,086	222,741,998
Partial write-offs	-	-	(976,319)	-	(976,319)
Write-offs	-	-	315,526	100,869	416,394
Balance at 30/06/2026	**1,009,835,191**	**10,358,568**	**14,567,168**	**9,467,795**	**1,044,228,722**

	30/06/2026				
AMD'000	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
	Loans to customers at amortised cost – retail customers – gross carrying amount				
Balance at 31/12/2025	**545,613,743**	**8,556,932**	**14,236,874**	**233,046**	**568,640,594**
Transfer to Stage 1	4,042,302	(2,756,245)	(1,286,057)	-	-
Transfer to Stage 2	(9,915,455)	11,786,443	(1,870,988)	-	-
Transfer to Stage 3	(3,858,462)	(6,432,254)	10,290,715	-	-
Financial assets that have been fully or partially repaid	(83,661,874)	(1,269,138)	(4,537,014)	(169,497)	(89,637,524)
Net change in asset from foreign exchange revaluation	(340,873)	(7,408)	(116,422)	(1,502)	(466,205)
New financial assets originated or purchased	148,124,611	-	-	-	148,124,611
Partial write-offs	-	-	(284,187)	-	(284,187)
Write-offs	-	-	(199,343)	-	(199,343)
Balance at 30/06/2026	**600,003,991**	**9,878,330**	**16,233,577**	**62,047**	**626,177,945**

	31/12/2025				
AMD'000	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
	Loans to customers at amortised cost –corporate customers – gross carrying amount				
Balance at 31/12/2024	**604,083,769**	**2,157,877**	**10,237,670**	**9,167,511**	**625,646,827**
Transfer to Stage 1	105,336	(61,587)	(43,749)	-	-
Transfer to Stage 2	(12,330,406)	12,488,544	(158,138)	-	-
Transfer to Stage 3	(6,441,437)	(1,569,646)	8,011,083	-	-
Financial assets that have been fully or partially repaid	(145,586,366)	(764,675)	(4,179,049)	(596,197)	(151,126,287)
Net change in asset from foreign exchange revaluation	(5,990,450)	617,595	(204,585)	(1,752)	(5,579,192)
New financial assets originated or purchased	430,846,861	-	-	1,371,400	432,218,261
Write-offs	-	-	(1,285,192)	-	(1,285,192)
Balance at 31/12/2025	**864,687,307**	**12,868,108**	**12,378,040**	**9,940,962**	**899,874,417**

	31/12/2025				
AMD'000	**Stage 1**	**Stage 2**	**Stage 3**	**POCI**	**Total**
	Loans to customers at amortised cost – retail customers – gross carrying amount				
Balance at 31/12/2024	**481,661,562**	**8,208,179**	**11,643,891**	**808,693**	**502,322,325**
Transfer to Stage 1	2,681,992	(1,682,091)	(999,901)	-	-
Transfer to Stage 2	(5,832,720)	6,650,410	(817,690)	-	-
Transfer to Stage 3	(9,998,548)	(2,099,919)	12,098,467	-	-
Financial assets that have been fully or partially repaid	(151,468,383)	(2,511,829)	(4,903,689)	(76,233)	(158,960,134)
Net change in asset from foreign exchange revaluation	(207,499)	(7,819)	182,083	(140)	(33,375)
New financial assets originated or purchased	228,777,338	-	-	-	228,777,338
Write-offs	-	-	(2,966,286)	(499,274)	(3,465,560)
Balance at 31/12/2025	**545,613,742**	**8,556,931**	**14,236,875**	**233,046**	**568,640,594**

(i) Loans to corporate customers

Loans to corporate customers are subject to individual credit appraisal and impairment testing. The general creditworthiness of a corporate customer tends to be the most relevant indicator of credit quality of the loan extended to it. However, collateral provides additional security and the Bank generally requests corporate borrowers to provide it.

Management estimates that the fair value of collateral securing overdue or impaired loans to corporate customers is not less than the carrying amount of individual loans.

The Bank has loans, for which the fair value of collateral was assessed at the loan inception date and it was not updated for further changes. For certain loans the fair value of collateral is updated as at the reporting date. Information on the valuation of collateral is based on when this estimate was made, if any.

For loans secured by multiple types of collateral, collateral that is most relevant for impairment assessment is disclosed. Sureties received from individuals, such as shareholders of SME borrowers, are not considered for impairment assessment purposes. Accordingly, such loans and unsecured portions of partially secured exposures are presented as loans without collateral or other credit enhancement.

The recoverability of loans which are neither past due nor impaired primarily depends on the creditworthiness of borrowers rather than the value of collateral, and the Bank does not necessarily update the valuation of collateral as at each reporting date.

Management estimates that the fair value of collateral securing overdue or impaired loans to corporate customers is not less than the carrying amount of individual loans.

The Bank has loans, for which the fair value of collateral was assessed at the loan inception date and it was not updated for further changes. For certain loans the fair value of collateral is updated as at the reporting date. Information on the valuation of collateral is based on when this estimate was made, if any.

For loans secured by multiple types of collateral, collateral that is most relevant for impairment assessment is disclosed. Sureties received from individuals, such as shareholders of SME borrowers, are not considered for impairment assessment purposes. Accordingly, such loans and unsecured portions of partially secured exposures are presented as loans without collateral or other credit enhancement.

The recoverability of loans which are neither past due nor impaired primarily depends on the creditworthiness of borrowers rather than the value of collateral, and the Bank does not necessarily update the valuation of collateral as at each reporting date.

(ii) Loans to retail customers

Gold loans

Gold loans are secured by golden jewelry. The Bank's policy is to issue gold loans with a loan-to-value ratio at the date of loan issuance of a maximum of 600%.

Credit cards

Credit card loans are not secured.

Mortgage

Mortgage loans are secured by the underlying housing real estate. The Bank's policy is to issue mortgage loans with a loan-to-value ratio at the date of loan issuance of a maximum of 90%.

Agricultural loans

Agricultural loans are mainly unsecured.

Other loans

Other loans are mainly secured by real estate. The Bank's policy is to issue other loans with a loan-to-value ratio of maximum of 80%.

(iii) Repossessed collateral

As at 30 June 2026 and 31 December 2025, the repossessed collateral comprises:

	30/06/2026	**31/12/2025**
	AMD'000	**AMD'000**
Real estate	5,801,053	4,689,864
Other assets	1,034,177	1,105,802
Total	**6,835,231**	**5,795,666**
Less: allowance for impairment	(1,576,138)	(1,578,506)
Total repossessed assets	**5,259,093**	**4,217,160**

Included in other repossessed collateral are gold items amounting to AMD 570,783 thousand as at 30 June 2026 (as at 31 December 2025: AMD 107,453 thousand).

On the date of foreclosure the collateral is measured at the carrying amount of the defaulted loan. Subsequent to foreclosure repossessed assets are measured at cost less impairment losses. Impairment is estimated based on the market approach. The market approach for real estate is based upon an analysis of the results of comparable recent sales of similar assets or announced prices for sale of similar assets, applying a discount of between 20% and 40% depending on the nature and location of the asset for the announced prices for sale.

The Bank's policy is to sell these assets as soon as it is practicable.

(d) Industry and geographical analysis of the loan portfolio

Loans to customers measured at amortised cost were issued primarily to customers located within the Republic of Armenia who operate in the following economic sectors:

	30/06/2026 AMD'000	31/12/2025 AMD'000
Energy	105,308,225	101,891,307
Trade	110,939,230	110,832,992
Service	50,520,454	58,256,526
Mining/metallurgy	41,960,959	45,941,039
Construction	219,791,959	185,745,063
Telecommunications	46,673,555	29,913,466
Food and beverage	21,058,558	22,273,150
Hotel and hospitality	58,597,566	57,453,324
Loans to financial institutions	15,030,901	10,604,878
Agriculture, forestry and timber	38,965,478	36,686,086
Government sector	175,931,333	180,854,155
Manufacturing	67,196,136	37,362,869
Foundations	-	-
Transportation	41,085,794	22,215,251
Other	61,043,592	10,295,151
Loans to retail customers	626,177,945	568,640,594
	1,680,281,686	**1,478,965,852**
Impairment allowance	(15,006,102)	(14,822,729)
	1,665,275,583	**1,464,143,122**

(e) Loan maturities

The maturity of the loan portfolio is presented in note 23(e), which shows the remaining period from the reporting date to the contractual maturity of the loans. Due to the short-term nature of the loans issued by the Bank, it is likely that many of the loans will be renewed at maturity. Accordingly, the effective maturity of the loan portfolio may be significantly longer than the contractually agreed term.

14 Investment securities measured at amortised cost

	30/06/2026 AMD'000	31/12/2025 AMD'000
Held by the Bank		
Debt and other fixed-income instruments		
Government securities	123,994,487	180,799,270
Corporate bonds	-	-
	123,994,487	**180,799,270**
Pledged under sale and repurchase agreements		
Debt and other fixed-income instruments		
Government securities	107,910,594	176,514,437
Corporate bonds	-	-
	107,910,594	**176,514,437**
Total gross investment securities at amortised cost	**231,905,081**	**357,313,708**
Credit loss allowance	(440,118)	(625,478)
Total net investment securities at amortised cost	**231,464,962**	**356,688,229**

15 Property, equipment and intangible assets

AMD'000	Land and buildings	Equipment	Fixtures and fittings	Motor vehicles	Construction in progress	Leasehold improvement	Intangible assets	Right of use assets	Total
Cost/revalued amount									
Balance at 1 January 2025	**14,875,152**	**8,494,452**	**4,477,035**	**798,855**	**673,677**	**5,791,887**	**3,842,686**	**9,592,104**	**48,545,848**
Additions	9,139	443,249	334,868	1,760	346,997	34,641	79,434	592,438	1,842,525
Disposals/sells	-	(39,537)	(52,525)	-	-	-	-	-	(92,061)
Transfers	-	-	-	-	-	-	-	-	-
Elimination of accumulated depreciation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Balance at 30 June 2026	**14,884,291**	**8,898,164**	**4,759,378**	**800,615**	**1,020,674**	**5,826,528**	**3,922,120**	**10,184,542**	**50,296,311**
Depreciation and amortization									
Balance at 1 January 2025	**-**	**4,941,989**	**3,089,223**	**454,111**	**-**	**2,982,971**	**2,480,220**	**3,442,511**	**17,391,025**
Depreciation and amortization for the period	159,487	396,028	166,457	31,120	-	104,784	128,067	592,679	1,578,624
Disposals/sells	-	(39,517)	(51,650)	-	-	-	-	-	(91,167)
Elimination of accumulated depreciation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Balance at 30 June 2026	**159,487**	**5,298,501**	**3,204,031**	**485,231**	**-**	**3,087,755**	**2,608,287**	**4,035,191**	**18,878,482**
Carrying amount									
Balance at 30 June 2026	**14,724,804**	**3,599,663**	**1,555,348**	**315,383**	**1,020,674**	**2,738,773**	**1,313,833**	**6,149,351**	**31,417,830**

AMD'000	Land and buildings	Equipment	Fixtures and fittings	Motor vehicles	Construction in progress	Leasehold improvement	Intangible assets	Right of use assets	Total
Cost/revalued amount									
Balance at 1 January 2025	**12,130,404**	**6,071,486**	**3,849,991**	**848,018**	**99,276**	**5,663,714**	**3,246,513**	**5,852,846**	**37,762,248**
Additions	103,430	2,484,937	1,139,360	1,890	574,401	144,135	596,173	3,739,258	**8,783,584**
Disposals/sells	(10,087)	(61,971)	(512,316)	(51,053)	-	(15,962)	-	-	**(651,390)**
Transfers	-	-	-	-	-	-	-	-	**-**
Elimination of accumulated depreciation	(1,781,281)	-	-	-	-	-	-	-	**(1,781,281)**
Revaluation	4,432,687	-	-	-	-	-	-	-	**4,432,687**
Balance at 31 December 2025	**14,875,152**	**8,494,452**	**4,477,035**	**798,855**	**673,677**	**5,791,887**	**3,842,686**	**9,592,104**	**48,545,848**
Depreciation and amortization									
Balance at 1 January 2025	**1,530,802**	**4,423,647**	**2,836,159**	**440,058**	**-**	**2,819,850**	**2,221,045**	**2,630,634**	**16,902,195**
Depreciation and amortization for the period	250,479	580,127	281,374	64,920	-	164,726	259,175	811,877	2,412,678
Disposals/sells	-	(61,785)	(28,312)	(50,867)	-	(1,605)	-	-	(142,569)
Elimination of accumulated depreciation	(1,781,281)	-	-	-	-	-	-	-	(1,781,281)
Revaluation	-	-	-	-	-	-	-	-	-
Balance at 31 December 2025	**-**	**4,941,989**	**3,089,221**	**454,111**	**-**	**2,982,971**	**2,480,220**	**3,442,511**	**17,391,023**
Carrying amount									
Balance at 31 December 2025	**14,875,152**	**3,552,463**	**1,387,814**	**344,744**	**673,677**	**2,808,916**	**1,362,467**	**6,149,593**	**31,154,825**

The fair value of the buildings was last determined and recorded as at 31 December 2025 based on valuation performed by an independent licensed valuator Finlaw LLC.

All of the Bank's right of use assets relate to buildings and office premises.

16 Other assets

	30/06/2026 AMD'000	31/12/2025 AMD'000
Other receivables	3,505,736	1,756,844
Total other financial assets	**3,505,736**	**1,756,844**
Credit loss allowance	(31,135)	(38,165)
Total net other financial assets	**3,474,602**	**1,718,680**
Repossessed assets	5,259,093	4,217,160
Non-income tax prepayments	-	-
Other prepayments	1,438,072	2,366,004
Materials and supplies	412,006	393,906
Standardized bars of precious metals	618,601	831,422
Other	291,297	341,051
Total other non-financial assets	**8,019,069**	**8,149,543**
Total other assets	**11,493,671**	**9,868,223**

17 Deposits and balances from banks

	30/06/2026 AMD'000	31/12/2025 AMD'000
Deposits and balances from banks		
Loans received from international banks	7,992,904	10,842,635
Loans received from local banks	5,628,249	6,013,621
Term deposits from banks	-	5,742,940
Payables for letters of credit	1,422,129	4,234,263
Vostro accounts	40,207,675	61,641,945
	55,250,957	**88,475,404**
Amounts payable under repurchase agreements		
Amounts payable to Central Bank of Armenia	92,526,304	230,346,164
Amounts payable to Armenian banks	84,179,133	7,006,007
	176,705,437	**237,352,171**
Total deposits and balances from banks	**231,956,394**	**325,827,575**

Loans received from international banks are provided under several financing programs with initial maturity period of more than 12 months.

The securities pledged under repurchase agreements represent Armenian Government bonds.

18 Debt securities issued

In January 2026, USD 600,000,000 Eurobonds (equivalent to AMD 227,448,000 thousand as of 22 January 2026) with a coupon rate of 6.6% and a maturity of five years were issued through Dilijan Finance B.V. The bonds constitute loan participation notes, under which Ardshinbank OJSC acts as the borrower. The bonds are listed on the Official List of Euronext Dublin and are traded on its Global Exchange Market. The bonds are rated BB- by Fitch, Ba3 by Moody's and BB- by S&P.

During 2019-2023 the Bank issued non-convertible domestic bonds with par value of USD 100, AMD 10,000 and AMD 100,000. Domestic bonds were listed in Armenia Securities Exchange stock exchange and redeemed as of the reporting period.

19 Current accounts, deposits and other balances from customers

	30/06/2026	**31/12/2025**
	AMD'000	**AMD'000**
Current accounts and demand deposits		
- Retail	526,981,759	425,681,852
- Corporate	624,860,442	571,498,585
Term deposits		
- Retail	477,698,089	511,003,351
- Corporate	161,646,092	164,475,026
	1,791,186,382	**1,672,658,814**
Amounts payable to investment companies under repurchase agreements	-	5,339,259
Amounts payable to related financial companies under repurchase agreement	-	-
Total current accounts, deposits and other balances from customers	**1,791,186,382**	**1,677,998,073**

As at 30 June 2026, the Bank maintained customer deposit balances and current accounts of AMD 75,702,748 thousand (as at 31 December 2025: AMD 57,705,928 thousand) that serve as collateral for loans and unrecognized credit instruments granted by the Bank.

As at 30 June 2026, the Bank has three customer (as at 31 December 2025: one customer), whose balances exceed 10% of equity. These balances as at 30 June 2026 are AMD 206,166,684 thousand (as at 31 December 2025: AMD 97,896,873 thousand).

20 Other borrowed funds

	30/06/2026	**31/12/2025**
	AMD'000	**AMD'000**
Borrowings from development local financial institutions	56,230,251	57,136,721
Borrowings from development international financial institutions	94,424,605	101,616,959
Loans from the Central Bank of Armenia	20,363,286	22,462,956
	171,018,143	**181,216,637**

Borrowings from development local financial institutions include AMD denominated borrowings under mortgage, education, householding refinancing programs with initial maturity period of more than 12 months.

Borrowings from development international financial institutions include AMD, USD and EUR denominated borrowings under several financing programs with initial maturity period of more than 12 months.

According to the agreement, the Central Bank of Armenia provides AMD loans to the Bank, which in turn provides loans to qualifying borrowers. The monitoring of the loans is performed by the PIU of the "German Armenian Foundation" program.

As at 30 June 2026 the Bank has three financial institutions (as at 31 December 2025: three financial institutions), whose balances exceed 10% of equity. The gross value of these balances as at 30 June 2026 is AMD 134,235,107 thousand (31 December 2025: AMD 140,601,764 thousand).

21 Other liabilities

	30/06/2026	**31/12/2025**
	AMD'000	**AMD'000**
Non cleared transactions	6,465,112	7,879,594
Salary and similar payables	11,809,371	6,700,323
Payables to suppliers	650,588	946,418
Lease liability	6,515,292	6,392,690
Expected loss allowance for financial guarantee contracts	396,392	415,786
Other	5,198,952	138,053
Total other financial liabilities	**31,035,706**	**22,472,863**
Other taxes payable	1,116,960	953,407
Deferred income	399,146	484,435
Other non-financial liabilities	494,614	456,775
Total other non-financial liabilities	**2,010,720**	**1,894,617**
Total other liabilities	**33,046,426**	**24,367,480**

22 Share capital and reserves

(a) Issued capital and share premium

As of 30 June 2026 the issued and outstanding share capital comprises 1,500,000 ordinary shares (as of 31 December 2025: 1,500,000) and 500,000 convertible preferred shares (as of 31 December 2025: 500,000). All shares have a nominal value of AMD 100,000 (as of 31 December 2025: AMD 100,000). Consideration was all received by cash and included in the statement of cash flows.

(b) Nature and purpose of reserves

Revaluation surplus for land and buildings

The revaluation surplus for land and buildings comprises the cumulative positive revalued value of land and buildings, until the assets are derecognised or

impaired.

Revaluation reserve for financial assets at fair value through other comprehensive income

The revaluation reserve for financial assets at fair value through other comprehensive income comprises the cumulative net change in the fair value.

(c) Dividends

Dividends payable are restricted to the maximum retained earnings of the Bank, which are determined according to Armenian legislation.

The Bank declared and paid dividends amounting to AMD 96,701,250 thousand to its ordinary shareholders and AMD 3,586,928 thousand to its preferred shareholders. during the period ended June 30, 2026.
The Bank paid dividend in amount AMD 103,100,000 thousand which was used to replenish the share capital during the period ended June 30, 2025.

23. Risk management

(a) Risk management policies and procedures

Management of risk is fundamental to the business of banking and forms an essential element of the Bank's operations. The major risks faced by the Bank are those related to market risk, credit risk, liquidity risk and operational risks.

The risk management policies aim to identify, analyse and manage the risks faced by the Bank, to set appropriate risk limits and controls, and to continuously monitor risk levels and adherence to limits. Risk management policies and procedures are reviewed regularly to reflect changes in market conditions, products and services offered and emerging best practice.

The Board of the Bank has overall responsibility for the oversight of the risk management framework, overseeing the management of key risks and reviewing its risk management policies and procedures as well as approving significantly large exposures.

The Management Board is responsible for monitoring and implementation of risk mitigation measures and ensuring that the Bank operates within the established risk parameters. The Head of the Risk Management Department is responsible for the overall risk management and compliance functions, ensuring the implementation of common principles and methods for identifying, measuring, managing and reporting both financial and non-financial risks. He reports directly to the Chairman of Management Board and indirectly to the Board of the Bank.

Credit, market and liquidity risks both at the portfolio and transactional levels are managed and controlled through a system of Credit Committees and an Asset and Liability Management Committee (ALCO). In order to facilitate efficient and effective decision-making, the Bank established a hierarchy of credit committees depending on the type and amount of the exposure.

Both external and internal risk factors are identified and managed throughout the organisation. Particular attention is given to identifying the full range of risk factors and determining of the level of assurance over current risk mitigation procedures. Apart from the standard credit and market risk analysis, the Risk Department monitors financial and non-financial risks by holding regular meetings with operational units in order to obtain expert judgments in their respective areas of expertise.

In compliance with the Bank's internal documentation the Risk Department and internal audit function frequently prepare reports, which cover the Bank's significant risks management. The reports include observations as to assessment of the effectiveness of the Bank's procedures and methodologies, and recommendations for improvement.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risks. Market risk arises from open positions in interest rate and equity financial instruments, which are exposed to general and specific market movements and changes in the level of volatility of market prices and foreign currency rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Overall authority for market risk is vested in the Banks Risk Management Department. In terms of market risk management, the risk appetite is set by the Board, and the internal limits are set by the Board of Management.

The Bank manages its market risk by setting open position limits in relation to financial instruments, interest rate maturity and currency positions and stop-loss limits. These are monitored on a regular basis and reviewed and approved by the Management Board.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Bank is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its consolidated statement of financial position and cash flows. Interest margins may increase as a result of such changes but may also reduce or create losses in the event that unexpected movements occur.

Interest rate gap analysis

Interest rate risk is managed principally through monitoring interest rate gaps. A summary of the interest gap position for major financial instruments is as follows:

AMD '000	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years	Non-interest bearing	Carrying amount
30-Jun-26							
ASSETS							
Cash and cash equivalents	432,960,408	-	-	-	-	16,405,637	449,366,045
Investment securities at fair value through other comprehensive income	1,682,450	662,606	3,376,273	41,141,921	27,339,513	779,456	74,982,219
Loans and advances to banks and financial institutions and other requirements	169,212,283	-	783,887	9,378,034	-	223,488,203	402,862,406
Loans to customers	766,454,218	62,586,242	116,127,216	459,866,564	260,241,344	-	1,665,275,583
Investment securities measured at amortised cost	59,925,785	16,835,461	51,112,301	54,117,898	49,473,516	-	231,464,962
Total	**1,430,235,143**	**80,084,310**	**171,399,677**	**564,504,418**	**337,054,373**	**240,673,296**	**2,823,951,215**
LIABILITIES							
Deposits and balances from banks	219,068,756	7,621,827	4,272,437	993,375	-	-	231,956,395
Current accounts, deposits and other balances from customers	1,379,555,444	126,715,836	210,785,243	73,626,893	502,966	-	1,791,186,382
Debt sceurities issued	6,434,396	-	-	218,589,064	-	-	225,023,460
Other borrowed funds	4,470,266	95,277,554	3,810,899	35,077,904	32,381,520	-	171,018,143
Total	**1,609,528,862**	**229,615,217**	**218,868,580**	**328,287,235**	**32,884,486**	**-**	**2,419,184,380**
	(179,293,718)	**(149,530,908)**	**(47,468,903)**	**236,217,183**	**304,169,887**	**240,673,296**	**404,766,836**

AMD '000	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years	Non-interest bearing	Carrying amount
31-Dec-25							
ASSETS							
Cash and cash equivalents	385,162,162	-	-	-	-	22,700,247	407,862,409
Investment securities at fair value through other comprehensive income	1,128,055	795,141	3,760,420	54,713,671	19,145,901	653,157	80,196,344
Loans and advances to banks and financial institutions and other requirements	137,029,681	-	-	-	-	183,415,467	320,445,148
Loans to customers	657,245,562	60,546,089	90,829,186	381,938,696	273,583,589	-	1,464,143,122
Investment securities measured at amortised cost	165,050,838	48,187,448	710,899	93,377,809	49,361,235	-	356,688,229
	1,345,616,298	**109,528,678**	**95,300,505**	**530,030,176**	**342,090,725**	**206,768,870**	**2,629,335,253**
LIABILITIES							
Deposits and balances from banks	311,400,588	4,243,478	7,037,042	3,146,467	-	-	325,827,575
Current accounts, deposits and other balances from customers	1,203,648,721	249,411,379	132,339,314	92,052,674	545,983	-	1,677,998,073
Debt sceurities issued	2,206,392	-	-	-	-	-	2,206,392
Other borrowed funds	6,022,077	101,114,500	4,268,812	35,333,851	34,477,397	-	181,216,637
	1,523,277,778	**354,769,358**	**143,645,169**	**130,532,992**	**35,023,380**	**-**	**2,187,248,676**
	(177,661,480)	**(245,240,680)**	**(48,344,663)**	**399,497,185**	**307,067,345**	**206,768,870**	**442,086,577**

Interest rate sensitivity analysis

The management of interest rate risk, based on an interest rate gap analysis, is supplemented by monitoring the sensitivity of financial assets and liabilities. An analysis of the sensitivity of net profit or loss and equity (net of taxes) to changes in interest rates (repricing risk), based on a simplified scenario of a 100 basis point (bp) symmetrical fall or rise in all yield curves and positions of interest-bearing assets and liabilities existing as at 30 June 2026 and 31 December 2025, is as follows:

	30/06/2026 AMD'000	31/12/2025 AMD'000
100 bp parallel fall	2,047,910	2,463,105
100 bp parallel rise	(2,047,910)	(2,463,105)

An analysis of the sensitivity of net profit or loss and equity as a result of changes in the fair value of financial instruments at fair value though profit or loss and financial assets at fair value through other comprehensive income due to changes in the interest rates, based on positions existing as at 30 June 2026 and 31 December 2025 and a simplified scenario of a 100 bp symmetrical fall or rise in all yield curves, is as follows:

	30/06/2026 AMD'000	31/12/2025 AMD'000
	Equity	Equity
100 bp parallel fall	2,695,364	2,328,608
100 bp parallel rise	(2,695,364)	(2,328,608)

(d) Currency risk

The Bank has assets and liabilities denominated in several foreign currencies. Currency risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates. Although the Bank hedges its exposure to currency risk, such activities do not qualify as hedging relationships in accordance with IFRS.

The following table shows the foreign currency exposure structure of financial assets and liabilities as at 30 June 2026 and 31 December 2025.

	30/06/2026			
	USD	**EUR**	**Other currencies**	**Total**
	AMD'000	**AMD'000**	**AMD'000**	**AMD'000**
ASSETS				
Cash and cash equivalents	155,168,480	186,616,843	16,140,497	357,925,819
Investment securities at fair value through other comprehensive income	8,500,052	124,589	-	8,624,641
Loans and advances to banks and financial institutions and other requirements	175,561,501	67,820,647	11,463,672	254,845,820
Loans to customers	730,026,411	152,467,011	-	882,493,421
Investment securities measured at amortised cost	10,704,215	66,887,685	-	77,591,900
Other Assets	204,227	39,170	1,939,461	2,182,859
Total assets	**1,080,164,886**	**473,955,944**	**29,543,630**	**1,583,664,460**
Off balance items				
Currency swap	648,061	7,760,195	53,603,907	62,012,163
Total off balance assets	**648,061**	**7,760,195**	**53,603,907**	**62,012,163**
LIABILITIES				
Deposits and balances from banks	21,301,574	20,145,636	12,396,302	53,843,511
Current accounts, deposits and other balances from customers	774,447,930	367,874,443	62,421,568	1,204,743,941
Debt sceurities issued	225,023,460	-	-	225,023,460
Other borrowed funds	379,780	79,537,186	-	79,916,966
Other liabilities	1,338,854	1,532,091	5,836,895	8,707,840
Total liabilities	**1,022,491,598**	**469,089,356**	**80,654,764**	**1,572,235,718**
Off balance items				
Currency swap	52,554,746	12,584,100	1,866,590	67,005,436
Total off balance liabilities	**52,554,746**	**12,584,100**	**1,866,590**	**67,005,436**
Net position	**5,766,603**	**42,683**	**626,183**	**6,435,469**

	31/12/2025			
	USD	**EUR**	**Other currencies**	**Total**
	AMD'000	**AMD'000**	**AMD'000**	**AMD'000**
ASSETS				
Cash and cash equivalents	60,357,124	99,895,174	69,457,316	229,709,614
Investment securities at fair value through other comprehensive income	4,975,050	222,565	-	5,197,615
Loans and advances to banks and financial institutions and other requirements	130,902,517	53,085,518	2,195,030	186,183,065
Loans to customers	580,229,072	161,660,783	804,744	742,694,599
Investment securities measured at amortised cost	55,805,596	112,119,923	-	167,925,519
Other assets	207,019	41,671	79,284	327,974
Total assets	**832,476,378**	**427,025,634**	**72,536,374**	**1,332,038,386**
Off balance items				
Currency swap	-	15,939,855	26,436,124	42,375,979
Total off balance assets	**-**	**15,939,855**	**26,436,124**	**42,375,979**
LIABILITIES				
Deposits and balances from banks	45,826,081	25,496,089	15,923,582	87,245,752
Current accounts, deposits and other balances from customers	732,622,228	324,418,502	72,397,305	1,129,438,034
Debt sceurities issued	-	-	-	-
Other borrowed funds	1,657,902	84,972,746	-	86,630,648
Other liabilities	2,511,803	1,200,620	1,854,257	5,566,681
Total liabilities	**782,618,014**	**436,087,957**	**90,175,144**	**1,308,881,116**
Off balance items				
Currency swap	38,339,911	6,735,150	1,133,126	46,208,187
Total off balance liabilities	**38,339,911**	**6,735,150**	**1,133,126**	**46,208,187**
Net position	**11,518,452**	**142,382**	**7,664,228**	**19,325,062**

A strengthening of the AMD against the above currencies at 30 June 2026 and at 31 December 2025 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

	30/06/2026	**31/12/2025**
	AMD'000	**AMD'000**
20% appreciation of USD against AMD	1,153,321	2,303,690
20% appreciation of EUR against AMD	8,537	28,476

(e) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Bank has policies and procedures in place to manage credit exposures (both for recognised financial assets and unrecognised contractual commitments), including guidelines to limit portfolio concentration and the establishment of a Credit Committee to actively monitor credit risk. The credit policy is reviewed and approved by the Management Board.
The credit policy establishes:

- procedures for reviewing and approving loan credit applications
- methodology for the credit assessment of borrowers (corporate and retail)
- methodology for the credit assessment of counterparties, issuers and insurance companies
- methodology for the evaluation of collateral
- credit documentation requirements
- procedures for the ongoing monitoring of loans and other credit exposures.

Corporate loan credit applications are originated by the relevant client managers and are then passed on to the Loan Department, which is responsible for the corporate loan portfolio. Analysis reports are based on a structured analysis, focusing on the customer's business and financial performance. The loan credit application and the report are then independently reviewed by the Credit Risk Management Department and a second opinion is given accompanied by a verification that credit policy requirements are met. The Credit Committee reviews the loan credit application based on submissions by the Loan Department and the Credit Risk Management Department. Individual transactions are also reviewed by the Legal, Accounting and Tax departments, depending on the specific risks and pending final approval of the Credit Committee.

The Bank continuously monitors the performance of individual credit exposures and regularly reassesses the creditworthiness of its customers. The review is based on the customer's most recent financial statements and other information submitted by the borrower, or otherwise obtained by the Bank. Retail loan credit applications are reviewed by the Retail Lending Department through the use of scoring models and application data verification procedures developed together with the Risk Department.

Apart from individual customer analysis, the credit portfolio is assessed by the Risk Department with regard to credit concentration and market risks.

The maximum exposure to credit risk is generally reflected in the carrying amounts of financial assets in the statement of financial position and unrecognised contractual commitment amounts. The impact of the possible netting of assets and liabilities to reduce potential credit exposure is not significant.

The maximum exposure to credit risk from financial assets at the reporting date is as follows:

	30/06/2026	31/12/2025
	AMD'000	AMD'000
ASSETS		
Cash and cash equivalents, except for cash on hand	425,253,527	386,230,441
Loans and advances to banks	402,862,406	320,445,148
Loans to customers	1,665,275,583	1,464,143,122
Investment securities	305,667,726	436,231,416
Other financial assets	3,474,602	1,718,680
Total maximum exposure	**2,802,533,843**	**2,608,768,807**

Collateral generally is not held against claims under derivative financial instruments, investments in securities, and loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activities.

For the analysis of collateral held against loans to customers and concentration of credit risk in respect of loans to customers refer to note 13.

The maximum exposure to credit risk from unrecognised contractual commitments at the reporting date is presented in note 24.

Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:

• are offset in the Bank's statement of financial position or
• are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

Similar agreements include derivative clearing agreements, global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the table below unless they are offset in the statement of financial position.

The Bank receives and gives collateral in the form of marketable securities in respect of sale and repurchase, and reverse sale and repurchase agreements.

Such collateral is subject to the standard industry terms. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but must be returned on maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions upon the counterparty's failure to post collateral.

The above arrangements do not meet the offsetting criteria in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Bank or the counterparties.
The table below shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar arrangements.

AMD'000

Types of financial assets/liabilities	Gross amounts of recognised financial asset/liability	Gross amount of recognized financial liability/asset offset in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	Related amounts not offset in the statement of financial position		
				Financial instruments	Cash collateral received	Net amount
Amounts receivable under reverse repurchase agreements	155,431,298	-	155,431,298	(155,431,298)	-	-
Total financial assets	**155,431,298**	**-**	**155,431,298**	**(155,431,298)**	**-**	**-**
Amounts payable under repurchase agreements	(176,705,437)	-	(176,705,437)	176,705,437	-	-
Total financial liabilities	**(176,705,437)**	**-**	**(176,705,437)**	**176,705,437**	**-**	**-**

AMD'000

Types of financial assets/liabilities	Gross amounts of recognised financial asset/liability	Gross amount of recognized financial liability/asset offset in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	Related amounts not offset in the statement of financial position		
				Financial instruments	Cash collateral received	Net amount
Amounts receivable under reverse repurchase agreements	130,695,619	-	130,695,619	(130,695,619)	-	-
Total financial assets	**130,695,619**	**-**	**130,695,619**	**(130,695,619)**	**-**	**-**
Amounts payable under repurchase agreements	(242,691,430)	-	(242,691,430)	242,691,430	-	-
Total financial liabilities	**(242,691,430)**	**-**	**(242,691,430)**	**242,691,430**	**-**	**-**

The gross amounts of financial assets and financial liabilities and their net amounts as presented in the statement of financial position that are disclosed in the above tables are measured in the statement of financial position on the amortized cost basis.

(f) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk exists when the maturities of assets and liabilities do not match. The matching and/-or controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to liquidity management. It is unusual for financial institutions ever to be completely matched, since business transacted is often of an uncertain term and of different types. An unmatched position potentially enhances profitability but can also increase the risk of losses.

The Bank maintains liquidity management with the objective of ensuring that funds will be available at all times to honour all cash flow obligations as they become due. The liquidity policy is approved by the Board and its management by the Management Board.

The Bank seeks to actively support a diversified and stable funding base comprising debt securities in issue, long- and short-term loans from other Banks, core corporate and retail customer deposits, accompanied by diversified portfolios of highly liquid assets, in order to be able to respond quickly and efficiently to unforeseen liquidity requirements.

The liquidity management policy requires:

• projecting cash flows by major currencies and taking into account the level of liquid assets necessary in relation thereto;
• maintaining a diverse range of funding sources;
• managing the concentration and profile of debts;
• maintaining debt financing plans;
• maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any interruption to cash flow;
• maintaining liquidity and funding contingency plans;
• monitoring liquidity ratios against regulatory requirements.

The Treasury Department receives information from business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Treasury Department then provides for an adequate portfolio of short-term liquid assets to be maintained, largely made up of short-term liquid trading securities, loans to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. The liquidity position is monitored and regular liquidity stress testing under a variety of scenarios covering both normal and more severe market conditions, is performed by the Treasury Department. Under normal market conditions, liquidity reports covering the liquidity position are presented to senior management on a weekly basis. Decisions on liquidity management are made by the ALCO and implemented by the Risk Department.

The following tables show the undiscounted cash flows on financial liabilities and credit-related commitments on the basis of their earliest possible contractual maturity. The total gross inflow and outflow disclosed in the tables is the contractual, undiscounted cash flow on the financial liability or credit related commitment. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called.

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled as at 30 June 2026:

AMD'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Overdue	Total
ASSETS								
Cash and cash equivalents	449,366,045	-	-	-	-	-	-	449,366,045
Investment securities at fair value through other comprehensive income	343,813	1,338,636	4,038,879	41,141,921	27,339,513	779,456	-	74,982,219
Loans and advances to banks and financial institutions and other requirements	389,584,175	3,116,310	783,887	9,378,034	-	-	-	402,862,406
Loans to customers	51,967,084	49,232,245	201,919,343	772,515,396	571,467,942	-	18,173,573	1,665,275,583
Investment securities measured at amortised cost	17,393,960	42,531,825	67,947,763	54,117,898	49,473,516	-	-	231,464,962
Property, equipment and intangible assets	-	-	-	-	-	31,417,830	-	31,417,830
Current tax asset	-	-	-	-	-	-	-	-
Deferred tax asset	-	-	-	-	-	-	-	-
Other assets	2,850,256	2,182,042	446,807	343,467	-	5,671,098	-	11,493,670
Total assets	**911,505,333**	**98,401,059**	**275,136,679**	**877,496,716**	**648,280,971**	**37,868,384**	**18,173,573**	**2,866,862,716**
LIABILITIES								
Deposits and balances from banks	218,071,642	997,114	11,894,264	993,375	-	-	-	231,956,395
Current accounts, deposits and other balances from customers	1,281,402,324	98,153,120	337,501,080	73,626,892	502,966	-	-	1,791,186,382
Current tax liability	-	-	11,943,893	-	-	-	-	11,943,893
Deferred tax liabilities	-	-	-	-	-	8,387,217	-	8,387,217
Debt securities issued	6,434,396	-	-	218,589,064	-	-	-	225,023,460
Other borrowed funds	1,212,889	3,257,377	12,614,467	96,383,689	57,549,720	-	-	171,018,143
Other liabilities	13,157,169	2,262,147	10,715,427	6,515,292	-	396,392	-	33,046,426
Total liabilities	**1,520,278,420**	**104,669,757**	**384,669,132**	**396,108,312**	**58,052,686**	**8,783,609**	**-**	**2,472,561,915**
Net position	**(608,773,087)**	**(6,268,698)**	**(109,532,453)**	**481,388,404**	**590,228,285**	**29,084,775**	**18,173,573**	**394,300,800**

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled as at 31 December 2025:

AMD'000	Demand and less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	More than 5 years	No maturity	Overdue	Total
ASSETS								
Cash and cash equivalents	407,862,409	-	-	-	-	-	-	407,862,409
Investment securities at fair value through other comprehensive income	1,128,055	-	4,555,561	54,713,671	19,145,901	653,157	-	80,196,344
Loans and advances to banks and financial institutions and other requirements	316,458,306	3,986,842	-	-	-	-	-	320,445,148
Loans to customers	32,021,815	41,532,684	180,512,509	643,213,171	549,725,104	-	17,137,839	1,464,143,122
Investment securities measured at amortised cost	147,058,211	17,992,628	48,898,347	93,377,809	49,361,235	-	-	356,688,229
Property, equipment and intangible assets	-	-	-	-	-	31,154,825	-	31,154,825
Current tax asset	-	-	-	-	-	-	-	-
Deferred tax asset	-	-	-	-	-	-	-	-
Other assets	3,716,055	261,218	853,762	426,122	-	4,611,066	-	9,868,223
Total assets	**908,244,850**	**63,773,372**	**234,820,179**	**791,730,773**	**618,232,240**	**36,419,047**	**17,137,839**	**2,670,358,300**
LIABILITIES								
Deposits and balances from banks	306,007,292	1,801,216	14,872,600	3,146,467	-	-	-	325,827,575
Current accounts, deposits and other balances from customers	1,000,744,566	202,904,156	381,750,695	92,052,674	545,983	-	-	1,677,998,073
Current tax liability	-	-	24,844,333	-	-	-	-	24,844,333
Deferred tax liabilities	-	-	-	-	-	7,934,117	-	7,934,117
Debt securities issued	3,934	2,202,458	-	-	-	-	-	2,206,392
Other borrowed funds	1,957,016	746,192	16,507,874	97,594,157	64,411,397	-	-	181,216,636
Other liabilities	9,639,887	2,356,582	5,562,534	6,392,690	-	415,787	-	24,367,480
Total liabilities	**1,318,352,695**	**210,010,604**	**443,538,036**	**199,185,988**	**64,957,380**	**8,349,904**	**-**	**2,244,394,607**
Net position	**(410,107,845)**	**(146,237,232)**	**(208,717,857)**	**592,544,785**	**553,274,860**	**28,069,143**	**17,137,839**	**425,963,693**

*The amounts included in the overdue band in the above tables represent only the overdue portions of the total overdue assets and liabilities.

For management of negative short-term liquidity position the Bank relies on the financial securities, which can be sold or pledged under repo agreements and the assumption that the term deposits will be prolonged upon maturity.

The main benchmark used by the Bank for liquidity risk management is the ratio of highly liquid assets to net cash outflow, as well as Net stable funding indicators.

24 Credit related commitments

The Bank has outstanding credit related commitments to extend loans. These credit related commitments take the form of approved loans and credit card limits and overdraft facilities.

The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to five years.

The Bank applies the same credit risk management policies and procedures when granting credit commitments, financial guarantees and letters of credit as it does for granting loans and advances to customers.

The contractual amounts of credit related commitments are set out in the following table by category.

The amounts reflected in the table for credit related commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees and letters of credit represent the maximum accounting loss that would be recognised at the reporting date if the counterparties failed completely to perform as contracted.

	30/06/2026	**30/06/2026**
	AMD'000	**AMD'000**
Contracted amount		
Loan and credit line commitments	98,784,888	85,285,283
Credit card commitments	10,371,833	6,277,108
Undrawn overdraft facilities	12,856,867	16,843,491
Guarantees and letters of credit	87,308,756	87,045,758
	209,322,344	**195,451,640**

The total outstanding contractual credit related commitments above do not necessarily represent future cash requirements, as these credit related commitments may expire or terminate without being funded. The majority of loan and credit line commitments do not represent an unconditional credit related commitment by the Bank.

25 Contingencies

(a) Litigation

In the ordinary course of business, the Bank is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations.

(b) Taxation contingencies

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

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

26 Related party transactions

(a) Control relationships

The Bank's parent company is Arins Group LLC, which is controlled by a single individual, Karen Safaryan, who is also the Chairman of the Board of Directors of the Bank.

(b) Transactions with members of the Board of Directors and the Management Board

Total remuneration included in personnel expenses for the period ended 30 June 2026 and 30 June 2025 follows:

	01/04/2026 - 30/06/2026 AMD'000	01/01/2026 - 30/06/2026 AMD'000	01/04/2025 - 30/06/2025 AMD'000	01/01/2025 - 30/06/2025 AMD'000
Salary and bonuses	5,505,043	10,140,173	4,569,688	9,236,393

These amounts include cash and non-cash benefits in respect of members of the Board of Directors and the Management Board.

The outstanding balances as at 30 June 2026 and 31 December 2025 for transactions with members of the Board and the Management Board are as follows:

	30/06/2026 AMD'000	31/12/2025 AMD'000
Statement of financial position		
Amounts receivable from reverse repurchase agreement	-	-
Allowance on amounts receivable from reverse repurchase agreement	-	-
Loans to customers, gross	540,253	255,340
Allowance for loan impairment	*(5,454)*	*(6,701)*
Other assets	142	48
Current accounts and deposits from customers	3,446,372	3,033,773
Other liabilities	12	-
Items not recognised in the consolidated statement of financial position	-	-
Lending commitments	290,923	337,546
Guarantees given	-	-

Amounts included in profit or loss in relation to transactions with the members of the Board of and the Management Board for the period 30 June 2026 and 30 June 2025 are as follows:

	01/01/2026 - 30/06/2026 AMD'000	01/01/2025 - 30/06/2025 AMD'000
Profit or loss		
Interest income	19,803	13,969
Interest expense	(73,798)	(118,210)
Fee and commission income	9,453	21,544
Fee and commission expense	(4,471)	(7,492)

(c) Transactions with other related parties

Other related parties are entities under common control with the Bank, being entities ultimately controlled by Karen Safaryan, and close members of the families of and entities controlled by members of the Board of Directors and members of the Management Board. The outstanding balances as at 30 June 2026 and related profit or loss amounts of transactions for the period ended 30 June 2026 with other related parties are as follows:

	Parent	Entities under common control	Other
	AMD'000	AMD'000	AMD'000
Statement of financial position			
ASSETS			
Amounts receivable from reverse repurchase agreement	-	72,384,071	-
Allowance on amounts receivable under reverse	-	*(2,884)*	-
Loans to customers, gross	164,651	14,475	82,682
Allowance for loan impairment	*(110)*	*(111)*	*(1,290)*
Other assets	-	437,692	-
LIABILITIES			
Current accounts and deposits from customers	1,048,097	3,093,783	578,590
Other liabilities	-	387,035	-
Items not recognised in the statement of financial position			
Lending commitments	3,737,000	210,000	86,403
Guarantees given	-	114,532	-
Profit (loss)			
Interest income	1,651	2,088,964	3,316
Interest expense	(16,524)	(69,676)	(14,565)
Fee and commission income	1,174,256	132,847	1,825
Fee and commission expense	(20,000)	(3)	(2,497)
General administrative expenses	-	(427,475)	-

Amounts receivable from reverse repurchase agreement doesn't care risk exposure with local currency. Only RA government bonds are considered as collateral for reverse repo transactions.

The outstanding balances as at 31 December 2025 and related profit or loss amounts of transactions for the period ended 30 June 2025 with other related parties are as follows:

	Parent	Entities under common control	Other
	AMD'000	AMD'000	AMD'000
Statement of financial position			
ASSETS			
Amounts receivable from reverse repurchase agreement	-	49,377,505	-
Allowance on amounts receivable under reverse	-	(4,357)	-
Loans to customers, gross	-	-	83,970
Allowance for loan impairment	-	-	(509)
Other assets	-	414,564	10
LIABILITIES			
Current accounts and deposits from customers	26,569,625	261,145	317,615
Debt securities issued	-	2,004,060	-
Other liabilities	-	452,750	-
Items not recognised in the statement of financial position			
Lending commitments	6,000,000	210,000	79,460
Guarantees given	-	93,276	-
Profit (loss)			
Interest income	102,635	1,567,920	2,537
Interest expense	-	(633)	(10,958)
Fee and commission income	10,813	86,139	1,583
Fee and commission expense	-	(445,109)	-
General administrative expenses	-	(90,000)	-

27 Fair values of financial instruments

The Bank measures fair values using the following fair value hierarchy which reflects the significance of the inputs used in making the measurements:

• Level 1: quoted market price (unadjusted) in an active market for an identical instrument.

• Level 2: inputs other than quotes prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

• Level 3: inputs that are unobservable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

As at 30 June 2026 the estimated fair values of all financial instruments except for debt securities issued and unquoted equity securities at fair value through other comprehensive income (2025: except unquoted equity securities at fair value through other comprehensive income) approximate their carrying amounts. As at 30 June 2026 the fair value of unquoted equity securities at fair value through other comprehensive income with a carrying value of AMD 779,456 thousand (as at 31 December 2025: AMD 653,157 thousand) could not be determined. There is no market for these investments and there have not been any recent transactions that provide evidence of the current fair value.

The table below analyses financial instruments measured at fair value at 30 June 2026 , by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position:

AMD '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Debt investment securities at FVTPL	-	-	-	-
Debt investment securities at FVOCI	1,682,701	72,520,062	-	74,202,763
Loans to customers at FVTPL	-	-	9,875,018	9,875,018
Corporate shares	-	-	779,456	779,456
Derivative assets	-	173,333	-	173,333
Derivative liabilities	-	393,559	-	393,559

The table below analyses financial instruments measured at fair value at 31 December 2025, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognised in the statement of financial position:

AMD '000	**Level 1**	**Level 2**	**Level 3**	**Total**
Debt investment securities at FVTPL	-	-	-	-
Debt investment securities at FVOCI	1,128,055	78,415,132	-	79,543,187
Loans to customers at FVTPL	-	-	10,450,841	10,450,841
Corporate shares	-	-	653,157	653,157
Derivative assets	-	168,674	-	168,674
Derivative liabilities	-	138,055	-	138,055

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realizable in an immediate sale of the assets or transfer of liabilities.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.