Ardshinbank OJSC
Interim Financial Statements
For the period ended 31 March 2026

	Notes	01/01/2026-31/03/2026 AMD'000	01/01/2025-31/03/2025 AMD'000
Interest income	4	53,310,073	45,361,108
Interest expense		(17,594,007)	(13,168,086)
Net interest income		**35,716,066**	**32,193,022**
Fee and commission income	5	7,427,507	7,617,448
Fee and commission expense		(2,619,820)	(2,127,987)
Net fee and commission income		**4,807,687**	**5,489,461**
Net gain/(loss) on loans to customers at fair value through profit or loss		(328,407)	(287,922)
Net gain/(loss) on financial instruments at fair value through profit or loss		884,125	(1,305,202)
Net foreign exchange gain	6	13,574,282	22,193,656
Net gain (loss) on investment securities		986,449	48,965
Other operating income (expenses)		1,392,097	1,236,865
Operating income		**57,032,299**	**59,568,846**
Impairment losses on financial instruments	7	(1,515,457)	(1,513,457)
Other impairement (losses)/recovery		-	-
Personnel expenses		(10,477,929)	(10,951,968)
Other general administrative expenses	8	(4,159,625)	(3,344,611)
Profit (loss) before income tax		**40,879,288**	**43,758,810**
Income tax expense	9	(7,759,843)	(8,018,207)
Profit (loss) for the period		**33,119,445**	**35,740,603**
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:		***(561,656)***	***250,074***
- Net change in fair value		(1,119,503)	229,780
- Net change in fair value transferred to profit or loss		557,847	20,294
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		**(561,656)**	**250,074**
Total comprehensive income(loss) for the period		**32,557,789**	**35,990,677**

Artak Ananyan
Chairman of Management Board

Armine Khachatryan
Chief Accountant

Approval date 15.04.2026

		31/03/2026 AMD'000	31/12/2025 AMD'000
ASSETS			
Cash and cash equivalents	10	369,325,210	407,862,409
Investment securities at fair value through other comprehensive income	11		
- Held by the Bank		65,653,877	33,862,643
- Pledged under sale and repurchase agreements		8,949,737	46,333,701
Loans and advances to banks and financial institutions and other requirements	12	332,554,470	320,445,148
Loans to customers	13	1,550,715,964	1,464,143,122
Investment securities measured at amortised cost	14		
- Held by the Bank		320,913,875	180,746,120
- Pledged under sale and repurchase agreements		118,639,235	175,942,109
Property, equipment and intangible assets	15	31,272,182	31,154,825
Current tax asset		-	-
Deferred tax asset	9	-	-
Other assets	16	10,179,475	9,868,223
Total assets		**2,808,204,024**	**2,670,358,300**
LIABILITIES			
Deposits and balances from banks	17	185,167,076	325,827,575
Current accounts, deposits and other balances from customers	19	1,694,892,059	1,677,998,073
Debt securities issued	18	226,841,423	2,206,392
Current tax liability		30,787,556	24,844,333
Deferred tax liability		7,968,302	7,934,117
Other borrowed funds	20	177,320,857	181,216,637
Other liabilities	21	26,705,268	24,367,481
Total liabilities		**2,349,682,541**	**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		1,894,303	2,455,958
General Reserve		17,215,980	17,215,980
Retained earnings		230,138,723	197,019,278
Total equity		**458,521,483**	**425,963,693**
Total liabilities and equity		**2,808,204,024**	**2,670,358,300**

Artak Ananyan

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Armine Khachatryan

Chief Accountant

Approval date 15.04.2026

«ԱՐԴՇԻՆԲԱՆԿ» «АРДШИНБАНК» «ARDSHINBANK» 02566492

	01/01/2026 31/03/2026 AMD'000	01/01/2025 31/03/2025 AMD'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest receipts	53,564,281	44,812,029
Interest payments	(8,636,345)	(14,654,399)
Fees and commissions received	7,427,507	7,651,884
Fees and commissions paid	(2,619,820)	(2,134,893)
Net receipts from foreign exchange	14,247,671	21,130,653
Other income receipts	1,360,498	1,236,772
Personnel expenses and other general administrative expenses payments	(10,729,816)	(15,165,436)
(Increase)/decrease in operating assets		
Loans and advances to banks and financial institutions	(11,305,027)	(22,592,089)
Loans to customers	(101,169,051)	(110,445,561)
Repossessed assets	(377,535)	(261,995)
Other assets	(389,866)	1,484,974
Increase/(decrease) in operating liabilities		
Short term deposits and balances from banks	(32,306,476)	9,001,473
Amounts payable under repurchase agreements	(109,998,772)	45,399,826
Current accounts and deposits from customers	38,119,172	(20,714,642)
Other liabilities	200,420	(344,532)
Net cash from (used in) from operating activities before taxes paid	**(162,613,158)**	**(55,595,936)**
Income tax paid	(1,659,145)	(891,237)
Cash flows from (used in) operations	**(164,272,303)**	**(56,487,173)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment securities	(80,830,297)	26,939,084
Property and equipment and intangible assets	(611,981)	(680,482)
Cash flows from investing activities	**(81,442,278)**	**26,258,602**
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from borrowed funds	1,636,976	6,314,101
Repayments of borrowed funds	(3,462,528)	(3,135,084)
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	-	-
Repayment of lease liability	(415,932)	(300,638)
Dividends paid	-	-
Cash flows from financing activities	**220,717,937**	**(53,206,394)**
Net increase/(decrease) in cash and cash equivalents	**(24,996,644)**	**(83,434,965)**
Effect of changes in exchange rates on cash and cash equivalents	(13,538,865)	10,620,609
Effect of changes in expected credit loss on cash and cash equivalents	(1,690)	(1,749)
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	**369,325,210**	**446,173,122**

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Armine Khachatryan
Chief Accountant

Approval date 15.04.2026

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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	-	-	-	-	-	35,740,603	35,740,603
Replenishment of general reserve	-	-	-	-	-	-	-
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	-	-	-	229,780	-	-	229,780
Net change in fair value of investment securities at FVOCI transferred to profit or loss, net of income tax	-	-	-	20,294	-	-	20,294
Total items that are or may be reclassified subsequently to profit or loss	-	-	-	250,074	-	-	250,074
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	-	-	-	250,074	-	-	250,074
Total comprehensive income for the period	-	-	-	**250,074**	-	**35,740,603**	**35,990,677**
Transactions with owners of the Company							
Issue of ordinary shares	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-
Balance as at 31 March 2025	**102,454,400**	**51**	**5,649,451**	**246,246**	**10,580,485**	**239,983,919**	**358,914,552**

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Chief Accountant

Approval date 15.04.2026

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	-	-	-	-	-	33,119,445	33,119,445
Replenishment of general reserve	-	-	-	-	-	-	-
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	-	-	-	(1,119,503)	-	-	(1,119,503)
Net change in fair value of investment securities at FVOCI transferred to profit or loss, net of income tax	-	-	-	557,847	-	-	557,847
Total items that are or may be reclassified subsequently to profit or loss	-	-	-	(561,656)	-	-	(561,656)
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	-	-	-	(561,656)	-	-	(561,656)
Total comprehensive income for the period	-	-	-	**(561,656)**	-	**33,119,445**	**32,557,790**
Transactions with owners of the Bank							
Issue of ordinary shares	-	-	-	-	-	-	-
Issue of preferred shares	-	-	-	-	-	-	-
Dividends declared	-	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-	-
Balance as at 31 March 2026	**200,000,000**	**51**	**9,272,426**	**1,894,303**	**17,215,980**	**230,138,723**	**458,521,483**

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Approval date 15.04.2026

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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 31 March 2026 and 31 December 2025 were AMD 377.16 and AMD 381.36 to USD 1, and AMD 432.19 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

	01/01/2026 - 31/03/2026 AMD'000	01/01/2026 - 31/03/2026 AMD'000	01/01/2025 - 31/03/2025 AMD'000	01/01/2025 - 31/03/2025 AMD'000
Interest income				
Loans to customers	41,004,870	41,004,870	32,753,081	32,753,081
Investment securities measured at fair value through other comprehensive income	1,314,642	1,314,642	1,212,882	1,212,882
Investment securities measured at amortised cost	6,072,234	6,072,234	5,571,151	5,571,151
Cash and cash equivalents	2,940,927	2,940,927	3,415,201	3,415,201
Loans and advances to banks and financial institutions	1,977,400	1,977,400	2,408,793	2,408,793
Other	-	-	-	-
	53,310,073	**53,310,073**	**45,361,108**	**45,361,108**
Interest expense				
Current accounts and deposits from customers	10,476,215	10,476,215	8,310,867	8,310,867
Deposits and balances from banks and other borrowed funds	4,047,036	4,047,036	4,342,604	4,342,604
Debt securities issued	2,883,457	2,883,457	406,130	406,130
Lease liabilities	187,299	187,299	108,485	108,485
	17,594,007	**17,594,007**	**13,168,086**	**13,168,086**

5 Fee and commission income

	01/01/2026 - 31/03/2026 AMD'000	01/01/2026 - 31/03/2026 AMD'000	01/01/2025 - 31/03/2025 AMD'000	01/01/2025 - 31/03/2025 AMD'000
Cash withdrawal and accounts service	1,096,032	1,096,032	666,888	666,888
Remittances	2,953,200	2,953,200	3,353,566	3,353,566
Plastic card servicing	2,122,180	2,122,180	1,926,594	1,926,594
Guarantee and letter of credit issuance	551,201	551,201	421,753	421,753
Brokerage and custodian services	641,465	641,465	880,568	880,568
Other	63,429	63,429	368,080	368,080
	7,427,507	**7,427,507**	**7,617,448**	**7,617,448**

6 Net foreign exchange income

	01/01/2026 - 31/03/2026 AMD'000	01/01/2026 - 31/03/2026 AMD'000	01/01/2025 - 31/03/2025 AMD'000	01/01/2025 - 31/03/2025 AMD'000
Gain on spot transactions	14,247,671	14,247,671	21,075,428	21,075,428
(Loss)/ gain from revaluation of financial assets and liabilities	(673,389)	(673,389)	1,118,228	1,118,228
	13,574,282	**13,574,282**	**22,193,656**	**22,193,656**

7 Impairment losses

	01/01/2026 - 31/03/2026	01/01/2026 - 31/03/2026	01/01/2025 - 31/03/2025	01/01/2025 - 31/03/2025
	AMD'000	AMD'000	AMD'000	AMD'000
Loans to customers	(1,473,852)	(1,473,852)	(1,513,457)	(1,513,457)
Other financial assets	(41,604)	(41,604)	-	-
	(1,515,457)	**(1,515,457)**	**(1,513,457)**	**(1,513,457)**

Movements in the loan impairment allowance by classes of loans to customers for the period ended 31 March 2026 and 31 March 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:

	31/03/2026			
Loans to customers at amortised cost	**Corporate customers**	**Retail customers**	**Other**	**Total**
AMD'000				
Net remeasurement of loss allowance	(21,001)	1,050,258	48,191	1,077,449
New financial assets originated or purchased	(1,024,861)	(1,544,463)	(89,796)	(2,659,120)
Subtotal	**(1,045,862)**	**(494,206)**	**(41,604)**	**(1,581,672)**
Recoveries of amounts previously written off	102	66,113	-	66,215
Total	**(1,045,759)**	**(428,093)**	**(41,604)**	**(1,515,457)**

	31/03/2025			
Loans to customers at amortised cost	**Corporate customers**	**Retail customers**	**Other**	**Total**
AMD'000				
Net remeasurement of loss allowance	333,534	(689,573)	304,260	(51,779)
New financial assets originated or purchased	(491,070)	(708,352)	(355,488)	(1,554,910)
Subtotal	**(157,536)**	**(1,397,926)**	**(51,228)**	**(1,606,689)**
Recoveries of amounts previously written off	1,250	91,982	-	93,232
Total	**(156,286)**	**(1,305,944)**	**(51,228)**	**(1,513,457)**

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

	31/03/2026				
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	8,995	(8,447)	(549)	-	-
Transfer to Stage 2	(142,940)	147,431	(4,491)	-	-
Transfer to Stage 3	(192,060)	(820,055)	1,012,115	-	-
Net remeasurement of loss allowance	(520,792)	399,198	142,492	-	20,898
New financial assets originated or purchased	1,024,861	-	-	-	1,024,861
Recognized in statement of profit or loss	504,069	399,198	142,492	-	1,045,759
Foreign exchange adjustments	(49,594)	(5,179)	(37,580)	-	(92,353)
Partial write-offs	-	-	(505,586)	-	(505,586)
Write-offs	-	-	(48,368)	-	(48,368)
Balance at 31 March	4,673,963	518,230	2,384,168	-	7,576,361

	31/03/2026				
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	42,494	(18,237)	(24,256)	-	-
Transfer to Stage 2	(789,807)	794,610	(4,803)	-	-
Transfer to Stage 3	(77,353)	(1,229,391)	1,306,744	-	-
Net remeasurement of loss allowance	(551,903)	562,110	(1,126,578)	-	(1,116,370)
New financial assets originated or purchased	1,544,463	-	-	-	1,544,463
Recognized in statement of profit or loss	992,561	562,110	(1,126,578)	-	428,093
Foreign exchange adjustments	(619)	(34)	(251)	-	(904)
Partial write-offs	-	-	-	-	-
Write-offs	-	-	65,117	-	65,117
Balance at 31 March	3,524,764	1,157,963	3,455,399	-	8,138,126

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

	01/01/2026 - 31/03/2026	01/01/2026 - 31/03/2026	01/01/2025 - 31/03/2025	01/01/2025 - 31/03/2025
	AMD'000	**AMD'000**	**AMD'000**	**AMD'000**
Depreciation and amortization	765,227	765,227	613,061	613,061
Operating lease expense	9,691	9,691	92,010	92,010
Taxes other than on income	189,833	189,833	147,438	147,438
Advertising and marketing	199,970	199,970	114,750	114,750
Deposit insurance fund	485,677	485,677	386,701	386,701
Security	53,571	53,571	75,856	75,856
Expenses of disbursement and collection of loans	310,722	310,722	241,054	241,054
Communications and information services	216,031	216,031	133,130	133,130
Repairs and maintenance	149,887	149,887	166,294	166,294
Software expenses	370,224	370,224	327,362	327,362
Utilities and office maintenance	71,517	71,517	60,821	60,821
Insurance	181,392	181,392	207,353	207,353
Cash transportation expenses	53,405	53,405	48,706	48,706
Professional services	149,156	149,156	141,099	141,099
Travel expenses	31,135	31,135	28,831	28,831
Office supplies	26,412	26,412	34,698	34,698
Charity and sponsorship	18,040	18,040	-	-
Other	877,735	877,735	525,447	525,447
	4,159,625	4,159,625	3,344,611	3,344,611

9 Income tax expense

	01/01/2026 - 31/03/2026 AMD'000	01/01/2026 - 31/03/2026 AMD'000	01/01/2025 - 31/03/2025 AMD'000	01/01/2025 - 31/03/2025 AMD'000
Current period tax expense	(7,602,368)	(7,602,368)	(7,555,459)	(7,555,459)
Movement in deferred tax assets and liabilities due to origination and reversal of temporary differences	(157,475)	(157,475)	(462,748)	(462,748)
Total income tax expense	**(7,759,843)**	**(7,759,843)**	**(8,018,207)**	**(8,018,207)**

Reconciliation of effective tax rate

	01/01/2026 - 31/03/2026 AMD'000	%	01/01/2026 - 31/03/2026 AMD'000	%	01/01/2025 - 31/03/2025 AMD'000	%	01/01/2025 - 31/03/2025 AMD'000	%
Profit before tax	**40,879,288**		**40,879,288**		**43,758,810**		**43,758,810**	
Income tax at the applicable tax rate	(7,358,272)	(18.0)	(7,358,272)	(18.0)	(7,876,586)	(18.0)	(7,876,586)	(18.0)
Non-taxable income (non-deductible costs)	(401,571)	(1.0)	(401,571)	(1.0)	(141,621)	(0.3)	(141,621)	(0.3)
	(7,759,843)	**(19.0)**	**(7,759,843)**	**(19.0)**	**(8,018,207)**	**(18.3)**	**(8,018,207)**	**(18.3)**

(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 31 March 2026 and 31 December 2025. The deductible temporary differences do not expire under current tax legislation.

Movements in temporary differences during the quarter ended 31 March 2026 and 31 March 2025 are presented as follows:

AMD'000	**01.01.2026**	**Recognised in profit or loss**	**Recognised in OCI**	**31.03.2026**
Cash and cash equivalents	969	(664)	-	304
Loans and advances to banks and financial institutions	(353,077)	(117,821)	-	(470,899)
Loans to customers	(6,189,952)	(738,234)	-	(6,928,186)
Investment securities	(2,453)	16,989	123,290	137,826
Property, equipment and intangible assets	(3,584,000)	6,714	-	(3,577,287)
Other assets	208,383	(55,577)	-	152,806
Debt securities issued	-	-	-	-
Other liabilities	1,986,014	731,120	-	2,717,134
	(7,934,117)	**(157,475)**	**123,290**	**(7,968,302)**

AMD'000	01.01.2025	Recognised in profit or loss	Recognised in OCI	31.03.2025
Cash and cash equivalents	1,136	(821)	-	315
Loans and advances to banks and financial institutions	(579,397)	141,444	-	(437,953)
Loans to customers	(7,102,442)	(297,424)	-	(7,399,867)
Investment securities	493,283	7,028	(54,895)	445,416
Property, equipment and intangible assets	(2,097,291)	(33,787)	-	(2,131,078)
Other assets	162,399	18,775	-	181,174
Debt securities issued	-	-	-	-
Other liabilities	1,986,216	(297,964)	-	1,695,432
	(7,136,097)	**(462,748)**	**(54,895)**	**(7,646,560)**

(b) Income tax recognised in other comprehensive income

AMD'000	01.01.2026-31.03.2026		
	Amount before tax	Tax expense	Amount net-of-tax
Net change in fair value of financial assets at fair value through other comprehensive income	(1,365,248)	245,745	(1,119,503)
Net change in fair value of financial assets at fair value through other comprehensive income transferred to profit or loss	680,302	(122,454)	557,847
Revaluation of property and equipment	-	-	-
Total other comprehensive income	**(684,946)**	**123,290**	**(561,656)**

AMD'000	01.01.2025-31.03.2025		
	Amount before tax	Tax expense	Amount net-of-tax
Net change in fair value of financial assets at fair value through other comprehensive income	273,962	(49,313)	224,649
Net change in fair value of financial assets at fair value through other comprehensive income transferred to profit or loss	31,008	(5,581)	25,427
Revaluation of property and equipment	-	-	-
Total other comprehensive income	**304,970**	**(54,895)**	**250,075**

10 Cash and cash equivalents

	31/03/2026	31/12/2025
	AMD'000	AMD'000
Cash on hand	25,127,548	21,631,968
Nostro accounts with the CBA	44,808,486	21,919,642
Deposit with the CBA	20,002,740	145,039,715
Deposit with Banks	163,701,176	133,203,664
Nostro accounts with other banks		
- rated AA- to AA+	33,325,151	22,180,738
- rated A- to A+	68,404,884	58,633,548
- rated from BBB- to BBB+	1,590,672	2,388,865
- rated from BB- to BB+	763,334	1,356,078
- rated from B- to B+	51,977	127,300
- not rated	11,550,932	1,386,272
Total nostro accounts with other banks	**115,686,950**	**86,072,801**
Total gross cash and cash equivalents	**369,326,900**	**407,867,790**
Credit loss allowance	**(1,690)**	**(5,381)**
Total cash and cash equivalents	**369,325,210**	**407,862,409**

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

As at 31 March 2026 the Bank has two counterparty banks except for the CBA (2025: one bank), whose balances exceed 10% of equity. The gross value of these balances as at 31 March 2026 is AMD 122,682,728 thousand (2025: AMD 79,395,936 thousand).

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

11 Investment securities at fair value through other comprehensive income

	31/03/2026	31/12/2025
	AMD'000	**AMD'000**
Held by the Bank		
Debt and other fixed-income instruments		
Government securities	54,054,313	25,721,064
Corporate bonds	10,946,432	7,488,423
Total debt and other fixed-income instruments	**65,000,745**	**33,209,486**
Equity instruments		
Corporate shares	653,132	653,157
	65,653,877	**33,862,643**
Pledged under sale and repurchase agreements		
Debt and other fixed-income instruments		
Government securities	8,949,737	46,333,701
Total investment securities at FVOCI	**74,603,613**	**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 19).

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

	31/03/2026 AMD'000	31/12/2025 AMD'000
Reverse repurchase agreements with related financial institutions	51,977,284	49,377,505
Reverse repurchase agreements with medium size Armenian financial institutions	32,912,896	45,518,997
Reverse repurchase agreements with resident Banks	35,045,561	35,799,117
Deposit with the Central Bank of Armenia, obligatory reserves*	202,424,472	173,752,264
Deposit with non resident banks pledged for guarantees	492,024	492,959
Loans and deposits with Banks	-	-
Credit card settlement deposit with the CBA	2,317,500	9,415,000
Deposited funds in other financial institutions	816,763	708,263
Deposits with banks	5,082,194	3,987,458
Other receivable from banks	656,804	1,379,949
Unsettled transactions*	1,020,135	120,991
Currency swaps	42,358	168,674
Total gross loans and advances to banks and financial institutions	**332,787,991**	**320,721,177**
Credit loss allowance	**(233,521)**	**(276,029)**
Total net loans and advances to banks and financial institutions	**332,554,470**	**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 cash deposit (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 31 March 2026 the fair value of financial assets (Government securities of the Republic of Armenia) collateralizing reverse repurchase agreements is AMD 124,709,260 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 31 March 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 31 March 2026 is AMD 50,608,232 (as at 31 December 2025: AMD 48,033,824 thousand)

13 Loans to customers

Loans to customers at amortised cost	31/03/2026 AMD'000	31/12/2025 AMD'000
Loans to corporate customers	**954,316,246**	**899,874,417**
Loans to retail customers		
Gold loans	54,751,039	47,218,070
Credit cards	59,020,463	53,309,369
Mortgage loans	335,069,364	318,859,260
Consumer and other loans to retail customers	152,695,101	149,253,895
Total loans to retail customers	**601,535,967**	**568,640,594**
Total gross loans to customers at amortised cost	**1,555,852,214**	**1,468,515,011**
Impairment allowance	(15,714,487)	(14,822,730)
Total net loans to customers at amortised cost	**1,540,137,727**	**1,453,692,281**
Loans to customers at FVTPL		
Loans to corporate customers	10,578,238	10,450,841
Total loans to customers at amortised cost and FVTPL	**1,550,715,964**	**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 31 March 2026.

	31/03/2026 **					
	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	416,667,855	-	-	-	-	416,667,855
Grade 2: BBB-BB	425,567,845	1,278,937	-	-	10,578,238	437,425,020
Grade 3: B	21,801,486	8,704,333	-	-	-	30,505,818
Grade 4: CCC	14,997,574	12,838	-	-	-	15,010,411
Grade 5: D	-	-	14,850,753	9,949,815	-	24,800,568
6. not rated	39,356,226	1,128,586	-	-	-	40,484,813
Total gross loans to corporate customers	**918,390,985**	**11,124,693**	**14,850,753**	**9,949,815**	**10,578,238**	**964,894,484**
Credit loss allowance	(4,673,963)	(518,230)	(2,384,168)	-	-	(7,576,361)
Total net loans to corporate customers	**913,717,022**	**10,606,464**	**12,466,584**	**9,949,815**	**10,578,238**	**957,318,123**
Loans to retail customers						
Gold loans	53,979,713	225,608	545,718	-	-	54,751,039
Credit loss allowance	(192,029)	(12,854)	(97,471)	-	-	(302,354)
Total net gold loans	**53,787,684**	**212,754**	**448,247**	**-**	**-**	**54,448,685**
Credit cards	56,668,019	746,557	1,605,887	-	-	59,020,463
Credit loss allowance	(1,277,550)	(264,418)	(800,355)	-	-	(2,342,323)
Total net credit cards	**55,390,469**	**482,139**	**805,532**	**-**	**-**	**56,678,140**
Mortgage loans	329,001,031	1,416,465	4,435,527	216,341	-	335,069,364
Credit loss allowance	(104,587)	(25,774)	(206,585)	-	-	(336,946)
Total net mortgage loans	**328,896,444**	**1,390,691**	**4,228,942**	**216,341**	**-**	**334,732,418**
Consumer and other loans to retail customers	137,225,247	6,441,824	9,025,718	2,312	-	152,695,101
Credit loss allowance	(1,950,598)	(854,917)	(2,350,987)	-	-	(5,156,503)
Total net consumer and other loans to retail customers	**135,274,649**	**5,586,907**	**6,674,731**	**2,312**	**-**	**147,538,598**
Total gross loans to retail customers	**576,874,010**	**8,830,454**	**15,612,850**	**218,653**	**-**	**601,535,967**
Credit loss allowance	(3,524,764)	(1,157,963)	(3,455,399)	-	-	(8,138,126)
Total net loans to retail customers	**573,349,246**	**7,672,491**	**12,157,452**	**218,653**	**-**	**593,397,841**
Total gross loans to customers	**1,495,264,995**	**19,955,148**	**30,463,603**	**10,168,468**	**10,578,238**	**1,566,430,452**
Credit loss allowance	(8,198,727)	(1,676,193)	(5,839,567)	-	-	(15,714,487)
Total net loans to customers	**1,487,066,268**	**18,278,955**	**24,624,036**	**10,168,468**	**10,578,238**	**1,550,715,964**

	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:

	31/03/2026				
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	**864,687,304**	**12,868,108**	**12,378,040**	**9,940,962**	**899,874,414**
Transfer to Stage 1	235,533	(181,205)	(54,328)	-	-
Transfer to Stage 2	(2,581,114)	2,652,770	(71,655)	-	-
Transfer to Stage 3	(726,015)	(3,294,543)	4,020,558	-	-
Financial assets that have been fully or partially repaid	(55,507,721)	(629,973)	(680,147)	(537,002)	(57,354,843)
Net change in asset from foreign exchange revaluation	(11,329,864)	(290,462)	(187,761)	(70,194)	(11,878,282)
New financial assets originated or purchased	123,612,862	-	-	616,049	124,228,911
Partial write-offs	-	-	(505,586)	-	(505,586)
Write-offs	-	-	(48,368)	-	(48,368)
Balance at 31/03/2026	**918,390,985**	**11,124,693**	**14,850,753**	**9,949,815**	**954,316,246**

	31/03/2026				
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	2,183,809	(1,333,255)	(850,554)	-	-
Transfer to Stage 2	(4,852,527)	5,546,737	(694,210)	-	-
Transfer to Stage 3	(1,778,971)	(3,088,786)	4,867,757	-	-
Financial assets that have been fully or partially repaid	(41,764,764)	(848,976)	(1,948,652)	(13,914)	(44,576,306)
Net change in asset from foreign exchange revaluation	(122,689)	(2,198)	(63,481)	(480)	(188,847)
New financial assets originated or purchased	77,595,409	-	-	-	77,595,409
Partial write-offs	-	-	-	-	-
Write-offs	-	-	65,117	-	65,117
Balance at 31/03/2026	**576,874,010**	**8,830,454**	**15,612,850**	**218,653**	**601,535,967**

	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 31 March 2026 and 31 December 2025, the repossessed collateral comprises:

	31/03/2026	**31/12/2025**
	AMD'000	**AMD'000**
Real estate	4,895,313	4,689,864
Other assets	1,085,254	1,105,802
Total	**5,980,568**	**5,795,666**
Less: allowance for impairment	(1,385,873)	(1,578,506)
Total repossessed assets	**4,594,695**	**4,217,160**

Included in other repossessed collateral are gold items amounting to AMD 289,594 thousand as at 31 March 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:

	31/03/2026 AMD'000	31/12/2025 AMD'000
Energy	98,620,589	101,891,307
Trade	112,459,802	110,832,992
Service	50,084,574	58,256,526
Mining/metallurgy	43,427,288	45,941,039
Construction	207,796,122	185,745,063
Telecommunications	40,950,082	29,913,466
Food and beverage	21,690,991	22,273,150
Hotel and hospitality	65,602,073	57,453,324
Loans to financial institutions	10,979,577	10,604,878
Agriculture, forestry and timber	36,385,759	36,686,086
Government sector	175,621,212	180,854,155
Manufacturing	49,551,412	37,362,869
Foundations	-	-
Transportation	41,558,665	22,215,251
Other	10,166,337	10,295,151
Loans to retail customers	601,535,967	568,640,594
	1,566,430,452	**1,478,965,852**
Impairment allowance	(15,714,487)	(14,822,729)
	1,550,715,964	**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

	31/03/2026 AMD'000	31/12/2025 AMD'000
Held by the Bank		
Debt and other fixed-income instruments		
Government securities	321,265,292	180,799,270
Corporate bonds	-	-
	321,265,292	**180,799,270**
Pledged under sale and repurchase agreements		
Debt and other fixed-income instruments		
Government securities	119,025,160	176,514,437
Corporate bonds	-	-
	119,025,160	**176,514,437**
Total gross investment securities at amortised cost	**440,290,452**	**357,313,708**
Credit loss allowance	(737,342)	(625,478)
Total net investment securities at amortised cost	**439,553,110**	**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	3,072	114,042	225,190	410	243,143	4,487	22,272	270,603	883,219
Disposals/sells	-	(6,680)	(47,698)	-	-	-	-	-	(54,378)
Transfers	-	-	-	-	-	-	-	-	-
Elimination of accumulated depreciation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Balance at 31 March 2026	**14,878,224**	**8,601,814**	**4,654,527**	**799,265**	**916,820**	**5,796,374**	**3,864,958**	**9,862,707**	**49,374,689**
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	79,729	191,318	81,472	15,464	-	50,061	63,575	283,607	765,226
Disposals/sells	-	(6,660)	(47,085)	-	-	-	-	-	(53,745)
Elimination of accumulated depreciation	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Balance at 31 March 2026	**79,729**	**5,126,646**	**3,123,610**	**469,576**	**-**	**3,033,032**	**2,543,795**	**3,726,118**	**18,102,507**
Carrying amount									
Balance at 31 March 2026	**14,798,495**	**3,475,168**	**1,530,917**	**329,689**	**916,820**	**2,763,342**	**1,321,163**	**6,136,589**	**31,272,182**

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

	31/03/2026 AMD'000	31/12/2025 AMD'000
Other receivables	1,595,209	1,756,844
Total other financial assets	**1,595,209**	**1,756,844**
Credit loss allowance	(33,509)	(38,165)
Total net other financial assets	**1,561,700**	**1,718,680**
Repossessed assets	4,594,695	4,217,160
Non-income tax prepayments	-	-
Other prepayments	2,515,957	2,366,004
Materials and supplies	430,361	393,906
Standardized bars of precious metals	786,180	831,422
Other	290,582	341,051
Total other non-financial assets	**8,617,775**	**8,149,543**
Total other assets	**10,179,475**	**9,868,223**

17 Deposits and balances from banks

	31/03/2026 AMD'000	31/12/2025 AMD'000
Deposits and balances from banks		
Loans received from international banks	10,501,196	10,842,635
Loans received from local banks	5,793,695	6,013,621
Term deposits from banks	3,018,034	5,742,940
Payables for letters of credit	2,335,347	4,234,263
Vostro accounts	36,354,570	61,641,945
	58,002,843	**88,475,404**
Amounts payable under repurchase agreements		
Amounts payable to Central Bank of Armenia	100,132,916	230,346,164
Amounts payable to Armenian banks	27,031,317	7,006,007
	127,164,233	**237,352,171**
Total deposits and balances from banks	**185,167,076**	**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

	31/03/2026	31/12/2025
	AMD'000	AMD'000
Current accounts and demand deposits		
- Retail	413,211,314	425,681,852
- Corporate	587,571,225	571,498,585
Term deposits		
- Retail	521,073,331	511,003,351
- Corporate	173,006,965	164,475,026
	1,694,862,835	**1,672,658,814**
Amounts payable to investment companies under repurchase agreements	-	5,339,259
Amounts payable to related financial companies under repurchase agreement	29,224	-
Total current accounts, deposits and other balances from customers	**1,694,892,059**	**1,677,998,073**

As at 31 March 2026, the Bank maintained customer deposit balances and current accounts of AMD 78,962,507 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 31 March 2026, the Bank has three customer (as at 31 December 2025: one customer), whose balances exceed 10% of equity. These balances as at 31 March 2026 are AMD 192,807,657 thousand (as at 31 December 2025: AMD 97,896,873 thousand).

20 Other borrowed funds

	31/03/2026	31/12/2025
	AMD'000	AMD'000
Borrowings from development local financial institutions	56,796,979	57,136,721
Borrowings from development international financial institutions	99,442,652	101,616,959
Loans from the Central Bank of Armenia	21,081,226	22,462,956
	177,320,857	**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 31 March 2026 the Bank has one financial institution (as at 31 December 2025: three financial institutions), whose balances exceed 10% of equity. The gross value of these balances as at 31 March 2026 is AMD 51,696,833 thousand (31 December 2025: AMD 140,601,764 thousand).

21 Other liabilities

	31/03/2026	31/12/2025
	AMD'000	AMD'000
Non cleared transactions	5,182,812	7,879,594
Salary and similar payables	11,416,330	6,700,323
Payables to suppliers	785,860	946,418
Lease liability	6,434,509	6,392,690
Expected loss allowance for financial guarantee contracts	413,864	415,786
Other	615,594	138,053
Total other financial liabilities	**24,848,969**	**22,472,864**
Other taxes payable	962,152	953,407
Deferred income	408,456	484,435
Other non-financial liabilities	485,692	456,775
Total other non-financial liabilities	**1,856,300**	**1,894,617**
Total other liabilities	**26,705,269**	**24,367,481**

22 Share capital and reserves

(a) Issued capital and share premium

As of 31 March 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.

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 did not pay any dividends during the period ended March 31, 2026.

The Bank did not pay any dividends during the period ended March 31, 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**
31-Mar-26							
ASSETS							
Cash and cash equivalents	346,693,516	-	-	-	-	22,631,694	369,325,210
Investment securities at fair value through other comprehensive income	1,390,206	1,805,684	1,304,093	43,047,626	26,402,871	653,132	74,603,613
Loans and advances to banks and financial institutions and other requirements	125,770,061	1,885,673	-	-	-	204,898,736	332,554,470
Loans to customers	486,100,616	307,578,728	102,523,290	381,759,291	272,754,039	-	1,550,715,964
Investment securities measured at amortised cost	254,336,947	27,097,984	1,202,942	106,312,657	50,602,581	-	439,553,110
Total	**1,214,291,346**	**338,368,069**	**105,030,326**	**531,119,573**	**349,759,492**	**228,183,562**	**2,766,752,368**
LIABILITIES							
Deposits and balances from banks	174,189,292	2,225,827	5,748,792	3,003,164	-	-	185,167,075
Current accounts, deposits and other balances from customers	1,323,598,251	146,212,878	130,779,794	93,796,363	504,773	-	1,694,892,059
Debt sceurities issued	-	2,862,644	-	223,978,778	-	-	226,841,423
Other borrowed funds	92,720,758	9,422,674	6,511,111	35,698,614	32,967,700	-	177,320,857
Total	**1,590,508,301**	**160,724,023**	**143,039,697**	**356,476,920**	**33,472,473**	**-**	**2,284,221,415**
	(376,216,954)	**177,644,046**	**(38,009,371)**	**174,642,653**	**316,287,018**	**228,183,562**	**482,530,953**

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 31 March 2026 and 31 December 2025, is as follows:

	31/03/2026 AMD'000	31/12/2025 AMD'000
100 bp parallel fall	1,988,240	2,463,105
100 bp parallel rise	(1,988,240)	(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 31 March 2026 and 31 December 2025 and a simplified scenario of a 100 bp symmetrical fall or rise in all yield curves, is as follows:

	31/03/2026 AMD'000	31/12/2025 AMD'000
	Equity	**Equity**
100 bp parallel fall	2,583,448	2,328,608
100 bp parallel rise	(2,583,448)	(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 31 March 2026 and 31 December 2025.

	31/03/2026			
	USD	**EUR**	**Other currencies**	**Total**
	AMD'000	**AMD'000**	**AMD'000**	**AMD'000**
ASSETS				
Cash and cash equivalents	97,474,581	131,920,088	63,001,007	292,395,676
Investment securities at fair value through other comprehensive income	7,007,075	147,606	-	7,154,682
Loans and advances to banks and financial institutions and other requirements	150,302,791	62,026,008	2,716,581	215,045,380
Loans to customers	630,948,355	156,573,342	746,954	788,268,651
Investment securities measured at amortised cost	78,500,300	137,852,954	-	216,353,254
Other Assets	163,673	41,651	36,970	242,293
Total assets	**964,396,775**	**488,561,649**	**66,501,512**	**1,519,459,936**
Off balance items				
Currency swap	17,337,529	1,815,198	13,582,828	32,735,555
Total off balance assets	**17,337,529**	**1,815,198**	**13,582,828**	**32,735,555**
LIABILITIES				
Deposits and balances from banks	29,792,490	22,546,893	5,140,035	57,479,418
Current accounts, deposits and other balances from customers	707,050,295	372,590,616	55,597,009	1,135,237,920
Debt sceurities issued	226,841,423	-	-	226,841,423
Other borrowed funds	1,595,551	82,530,967	-	84,126,517
Other liabilities	1,446,977	672,332	1,365,302	3,484,611
Total liabilities	**966,726,736**	**478,340,807**	**62,102,346**	**1,507,169,889**
Off balance items				
Currency swap	6,099,939	11,453,035	19,187,820	36,740,794
Total off balance liabilities	**6,099,939**	**11,453,035**	**19,187,820**	**36,740,794**
Net position	**8,907,629**	**583,004**	**(1,205,825)**	**8,284,808**

	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 31 March 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.

	31/03/2026	**31/12/2025**
	AMD'000	**AMD'000**
20% appreciation of USD against AMD	1,781,526	2,303,690
20% appreciation of EUR against AMD	116,601	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:

	31/03/2026	31/12/2025
	AMD'000	AMD'000
ASSETS		
Cash and cash equivalents, except for cash on hand	344,197,662	386,230,441
Loans and advances to banks	332,554,470	320,445,148
Loans to customers	1,550,715,964	1,464,143,122
Investment securities	513,503,591	436,231,416
Other financial assets	1,561,700	1,718,680
Total maximum exposure	**2,742,533,387**	**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	119,935,741	-	119,935,741	(119,935,741)	-	-
Total financial assets	**119,935,741**	**-**	**119,935,741**	**(119,935,741)**	**-**	**-**
Amounts payable under repurchase agreements	(127,193,457)	-	(127,193,457)	127,193,457	-	-
Total financial liabilities	**(127,193,457)**	**-**	**(127,193,457)**	**127,193,457**	**-**	**-**

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 31 March 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	369,325,210	-	-	-	-	-	-	369,325,210
Investment securities at fair value through other comprehensive income	879,161	511,046	3,109,778	43,047,626	26,402,871	653,132	-	74,603,613
Loans and advances to banks and financial institutions and other requirements	327,473,145	3,195,652	1,885,673	-	-	-	-	332,554,470
Loans to customers	33,900,963	40,889,579	212,873,161	681,525,325	563,123,519	-	18,403,417	1,550,715,964
Investment securities measured at amortised cost	83,476,100	170,860,847	28,300,926	106,312,657	50,602,581	-	-	439,553,110
Property, equipment and intangible assets	-	-	-	-	-	31,272,182	-	31,272,182
Current tax asset	-	-	-	-	-	-	-	-
Deferred tax asset	-	-	-	-	-	-	-	-
Other assets	3,677,862	290,804	793,392	392,361	-	5,025,056	-	10,179,475
Total assets	**818,732,441**	**215,747,927**	**246,962,930**	**831,277,968**	**640,128,972**	**36,950,370**	**18,403,417**	**2,808,204,024**
LIABILITIES								
Deposits and balances from banks	168,886,866	1,844,906	11,432,139	3,003,164	-	-	-	185,167,075
Current accounts, deposits and other balances from customers	994,380,910	329,217,341	276,992,671	93,796,363	504,773	-	-	1,694,892,059
Current tax liability	30,787,556	-	-	-	-	-	-	30,787,556
Deferred tax liabilities	-	-	-	-	-	7,968,302	-	7,968,302
Debt securities issued	-	-	2,862,644	223,978,778	-	-	-	226,841,423
Other borrowed funds	1,879,552	4,229,461	13,313,943	96,117,534	61,780,367	-	-	177,320,857
Other liabilities	7,168,736	12,279,705	408,456	6,434,509	-	413,864	-	26,705,269
Total liabilities	**1,203,103,620**	**347,571,413**	**305,009,854**	**423,330,349**	**62,285,140**	**8,382,166**	**-**	**2,349,682,541**
Net position	**(384,371,179)**	**(131,823,486)**	**(58,046,924)**	**407,947,620**	**577,843,831**	**28,568,204**	**18,403,417**	**458,521,483**

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.

	31/03/2026	**31/03/2026**
	AMD'000	**AMD'000**
Contracted amount		
Loan and credit line commitments	159,792,426	85,285,283
Credit card commitments	11,065,681	6,277,108
Undrawn overdraft facilities	12,569,447	16,843,491
Guarantees and letters of credit	90,877,381	87,045,758
	274,304,934	**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 31 March 2026 and 31 March 2025 follows:

	01/01/2026 - 31/03/2026 AMD'000	01/01/2026 - 31/03/2026 AMD'000	01/01/2025 - 31/03/2025 AMD'000	01/01/2025 - 31/03/2025 AMD'000
Salary and bonuses	4,635,129	4,635,129	4,666,705	4,666,705

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 31 March 2026 and 31 December 2025 for transactions with members of the Board and the Management Board are as follows:

	31/03/2026 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	528,902	255,340
Allowance for loan impairment	*(6,692)*	*(6,701)*
Other assets	203	48
Current accounts and deposits from customers	2,730,763	3,033,773
Other liabilities	12	-
Items not recognised in the consolidated statement of financial position	-	-
Lending commitments	319,509	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 31 March 2026 and 31 March 2025 are as follows:

	01/01/2026 - 31/03/2026 AMD'000	01/01/2025 - 31/03/2025 AMD'000
Profit or loss		
Interest income	9,346	6,851
Interest expense	(33,209)	(59,568)
Fee and commission income	5,552	8,441
Fee and commission expense	(2,578)	(3,288)

(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 31 March 2026 and related profit or loss amounts of transactions for the period ended 31 March 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	-	51,977,284	-
Allowance on amounts receivable under reverse	-	*(4,439)*	-
Loans to customers, gross	-	-	81,972
Allowance for loan impairment	-	-	*(1,446)*
Other assets	-	569,845	5
LIABILITIES			
Current accounts and deposits from customers	12,788,384	884,603	474,220
Other liabilities	-	420,375	-
Items not recognised in the statement of financial position			
Lending commitments	6,000,000	210,000	79,241
Guarantees given	-	100,414	-
Profit (loss)			
Interest income	-	1,008,039	1,650
Interest expense	(16,524)	(57,469)	(6,459)
Fee and commission income	12,630	97,180	1,021
Fee and commission expense	-	(1)	(1,107)
General administrative expenses	-	(172,986)	-

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 31 March 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	51,790	792,291	1,743
Interest expense	-	(15)	(10,958)
Fee and commission income	2,708	57,693	1,049
Fee and commission expense	-	-	-
General administrative expenses	-	(252,353)	-

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 31 March 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 31 March 2026 the fair value of unquoted equity securities at fair value through other comprehensive income with a carrying value of AMD 653,132 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 31 March 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	728,388	73,222,093	-	73,950,481
Loans to customers at FVTPL	-	-	10,578,238	10,578,238
Corporate shares	-	-	653,132	653,132
Derivative assets	-	42,358	-	42,358
Derivative liabilities	-	234,902	-	234,902

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.