

**ACBA Federation CJSC**

**Consolidated Financial Statements and  
Independent Auditor's Report**

**31 December 2025**

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Independent auditor's report

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## Independent Auditor's Report

To Shareholders and Board of ACBA Federation CJSC

### Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of ACBA Federation CJSC (the "Company") and its subsidiaries (together – the "Group") as at 31 December 2025, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have also fulfilled our other ethical responsibilities in accordance with the IESBA Code.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

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

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

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

## **Auditor's responsibilities for the audit of the consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



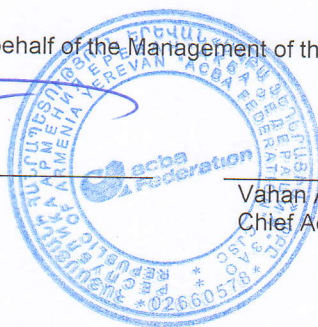
**ACBA Federation CJSC**  
**Consolidated Statement of Financial Position as at 31 December 2025**

<i>In thousands of Armenian Drams</i>	Note	31 December 2025	31 December 2024
<b>ASSETS</b>			
Cash and cash equivalents	7	99,170,819	106,030,069
Derivative financial assets	8	35,996	158,180
Loans and advances to banks	9	92,959,786	81,482,428
<i>Investment securities</i>	10		
-Held by the Bank		73,247,135	62,108,609
Loans to customers	11	627,683,037	533,983,471
Receivables from finance leases	12	103,141,827	93,105,821
Investments in associates	37	2,592,986	2,044,092
Property, equipment and intangible assets	13	48,301,270	38,433,963
Other assets	16	26,493,489	24,071,416
<b>TOTAL ASSETS</b>		<b>1,073,626,345</b>	<b>941,418,049</b>
<b>LIABILITIES</b>			
Deposits and balances from banks	17	5,576,560	462,797
Derivative financial liabilities	8	267,508	-
Current accounts and deposits from customers	18	613,737,295	583,346,492
Debt securities issued	19	51,798,299	39,408,576
Other borrowed funds	20	153,177,807	110,883,860
Current income tax liabilities		4,602,577	3,315,430
Deferred tax liabilities	14	1,556,734	505,767
Other liabilities	22	19,317,725	16,948,996
Redemption liability	23	11,191,821	12,610,370
Subordinated loans	21	13,152,984	12,632,502
<b>TOTAL LIABILITIES</b>		<b>874,379,310</b>	<b>780,114,790</b>
<b>EQUITY</b>			
Share capital	24	22,312,000	22,312,000
Share-based payment reserve	24	-	32,738
Revaluation reserve for property and equipment		6,830,325	4,730,521
Revaluation reserve for investment securities		438,010	232,313
Retained earnings		121,034,687	93,135,354
<b>Total equity</b>		<b>150,615,022</b>	<b>120,442,926</b>
Non-controlling interests		48,632,013	40,860,333
<b>Total equity</b>		<b>199,247,035</b>	<b>161,303,259</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,073,626,345</b>	<b>941,418,049</b>

Signed and authorised for release on behalf of the Management of the Company on 30 June 2026.

Harutyun Poghosyan  
 General Director

Vahan Abrahamyan  
 Chief Accountant



**ACBA Federation CJSC**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended**  
**31 December 2025**

<i>In thousands of Armenian Drams</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Interest revenue calculated using effective interest rate	26	92,424,387	79,463,106
Other interest revenue	26	14,236,830	12,524,767
Interest expense	26	(41,874,064)	(37,504,529)
<b>Net interest income</b>		<b>64,787,153</b>	<b>54,483,344</b>
Credit loss expense	15	(4,290,412)	(2,350,171)
<b>Net interest income after credit loss expense</b>		<b>60,496,741</b>	<b>52,133,173</b>
Fee and commission income	27	18,711,467	14,706,808
Fee and commission expense	27	(9,164,996)	(6,599,484)
Net (loss)/ gain on financial instruments at fair value through profit and loss		(319,309)	581,991
Net gain from foreign exchange trading activities		6,438,386	4,995,417
Net gain from foreign exchange translation		781,083	106,818
Share of profit of associates	37	1,658,322	1,211,887
Charge for other impairment and provisions	32	(98,458)	(88,096)
Other income	28	712,981	944,190
<b>Non-interest income</b>		<b>18,719,476</b>	<b>15,859,531</b>
Personnel expenses	29	(23,325,159)	(21,179,222)
Depreciation and amortization	13	(3,712,341)	(3,835,345)
Other operating expenses	30	(3,148,715)	(2,667,706)
Other general administrative expenses	31	(5,916,939)	(5,513,171)
<b>Non-interest expense</b>		<b>(36,103,154)</b>	<b>(33,195,444)</b>
<b>Profit before income tax expense</b>		<b>43,113,063</b>	<b>34,797,260</b>
Income tax expense	14	(9,140,704)	(6,380,922)
<b>Profit for the year</b>		<b>33,972,359</b>	<b>28,416,338</b>
<i>Attributable to:</i>			
- Shareholders of the parent		25,009,808	23,073,453
- Non-controlling interests		8,962,551	5,342,885
<b>Profit for the year</b>		<b>33,972,359</b>	<b>28,416,338</b>

**ACBA Federation CJSC**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended**  
**31 December 2025**

<i>In thousands of Armenian Drams</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Profit for the year</b>		<b>33,972,359</b>	<b>28,416,338</b>
<b>Other comprehensive income</b>			
<b><i>To be reclassified to profit or loss in subsequent periods</i></b>			
Change in fair value of investment securities at fair value through other comprehensive income		208,610	95,083
Income tax relating to components of other comprehensive income	14	(37,550)	(17,115)
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>171,060</b>	<b>77,968</b>
<b><i>Not to be reclassified to profit or loss in subsequent periods</i></b>			
Revaluation of buildings and motor vehicles	13	2,878,087	2,513
Gain/(loss) on equity instruments at fair value through other comprehensive income		889	(861)
Share of the other comprehensive income of associates	37	102,459	76,011
Income tax relating to components of other comprehensive income	14	(345,342)	155
<b>Total other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>2,636,093</b>	<b>77,818</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>2,807,153</b>	<b>155,786</b>
<b>Total comprehensive income for the year</b>		<b>36,779,512</b>	<b>28,572,124</b>
<i>Attributable to:</i>			
- shareholders of the parent		27,355,350	23,201,065
- non-controlling interests		9,424,162	5,371,059
<b>Total comprehensive income for the year</b>		<b>36,779,512</b>	<b>28,572,124</b>

**ACBA Federation CJSC**

**Consolidated Statement of Changes in Equity for the year ended 31 December 2025**

<i>In thousands of Armenian Drams</i>	Attributable to shareholders of the Parent					Total	Non-controlling interests	Total Equity
	Share capital	Share-based payment reserve	Revaluation reserve for property and equipment	Revaluation reserve for investment securities	Retained earnings			
<b>Balance as at 31 December 2023</b>	<b>22,312,000</b>	<b>32,738</b>	<b>5,033,596</b>	<b>123,673</b>	<b>87,422,914</b>	<b>114,924,921</b>	<b>24,470,379</b>	<b>139,395,300</b>
<b>Total comprehensive income</b>								
Profit for the year	-	-	-	-	23,073,453	<b>23,073,453</b>	5,342,885	<b>28,416,338</b>
Other comprehensive income	-	-	2,513	125,099	-	<b>127,612</b>	28,174	<b>155,786</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,513</b>	<b>125,099</b>	<b>23,073,453</b>	<b>23,201,065</b>	<b>5,371,059</b>	<b>28,572,124</b>
<b>Transactions with owners, recorded directly in equity</b>								
Transfer of revaluation surplus to retained earnings due to disposal of fixed assets	-	-	(124,033)	-	<b>124,033</b>	-	-	-
Increase/(decrease) in ownership in subsidiary	-	-	(181,555)	(16,459)	(4,919,910)	<b>(5,117,924)</b>	12,029,902	<b>6,911,978</b>
Redemption liability (Note 23)	-	-	-	-	(12,565,136)	<b>(12,565,136)</b>	-	<b>(12,565,136)</b>
Dividends to non-controlling interests (Note 24)	-	-	-	-	-	-	(1,011,007)	<b>(1,011,007)</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(305,588)</b>	<b>(16,459)</b>	<b>(17,361,013)</b>	<b>(17,683,060)</b>	<b>11,018,895</b>	<b>(6,664,165)</b>
<b>Balance as at 31 December 2024</b>	<b>22,312,000</b>	<b>32,738</b>	<b>4,730,521</b>	<b>232,313</b>	<b>93,135,354</b>	<b>120,442,926</b>	<b>40,860,333</b>	<b>161,303,259</b>
Profit for the year	-	-	-	-	25,009,808	<b>25,009,808</b>	8,962,551	<b>33,972,359</b>
Other comprehensive income	-	-	2,139,845	205,697	-	<b>2,345,542</b>	461,611	<b>2,807,153</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,139,845</b>	<b>205,697</b>	<b>25,009,808</b>	<b>27,355,350</b>	<b>9,424,162</b>	<b>36,779,512</b>
<b>Transactions with owners, recorded directly in equity</b>								
Transfer of revaluation surplus to retained earnings due to disposal of fixed assets	-	-	(40,041)	-	40,041	-	-	-
Decrease in ownership in subsidiary	-	-	-	-	31,353	<b>31,353</b>	(6,874)	<b>24,479</b>
Redemption liability (Note 23)	-	-	-	-	2,785,393	<b>2,785,393</b>	-	<b>2,785,393</b>
Share-based payment reserve transfer to Retained earnings	-	(32,738)	-	-	32,738	-	-	-
Dividends to non-controlling interests (Note 24)	-	-	-	-	-	-	(1,645,608)	<b>(1,645,608)</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>(32,738)</b>	<b>(40,041)</b>	<b>-</b>	<b>2,889,525</b>	<b>2,816,746</b>	<b>(1,652,482)</b>	<b>1,164,264</b>
<b>Balance as at 31 December 2025</b>	<b>22,312,000</b>	<b>-</b>	<b>6,830,325</b>	<b>438,010</b>	<b>121,034,687</b>	<b>150,615,022</b>	<b>48,632,013</b>	<b>199,247,035</b>

**ACBA Federation CJSC**  
**Consolidated Statement of Cash Flows for the year ended 31 December 2025**

<i>In thousands of Armenian Drams</i>	<b>Note</b>	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>			
Interest received (calculated using effective interest rate)		89,553,530	75,586,693
Other interest received		14,236,830	12,524,767
Interest paid		(38,854,301)	(36,394,542)
Fees and commissions received		18,711,467	14,706,798
Fees and commissions paid		(9,165,059)	(6,599,540)
Net (payment)/ receipt from derivative financial instruments at fair value through profit or loss		(335,332)	509,248
Net receipts from foreign exchange		6,453,606	4,995,402
Other operating expenses paid		(3,348,351)	(4,327,425)
Other income received		594,095	483,054
Salaries and other payments to employees		(22,365,360)	(20,962,864)
Other general administrative expenses paid		(5,761,648)	(5,514,626)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		<b>49,719,477</b>	<b>35,006,965</b>
<i>Net (increase)/decrease in operating assets</i>			
Derivative financial assets		137,281	113,203
Loans and advances to banks		(11,312,039)	17,641,851
Loans to customers		(101,428,678)	(88,488,628)
Receivables from finance lease		(9,864,235)	(9,618,295)
Other assets		(306,501)	(2,175,514)
<i>Net increase/(decrease) in operating liabilities</i>			
Deposits and balances from banks		5,071,767	(626,281)
Current accounts and deposits from customers		32,637,310	85,992,622
Other liabilities		2,093,810	4,505,450
<b>Net cash (used in)/ from operating activities before income tax</b>		<b>(33,251,808)</b>	<b>42,351,373</b>
Income tax paid		(7,185,482)	(7,122,347)
<b>Net cash (used in)/ from operating activities</b>		<b>(40,437,290)</b>	<b>35,229,026</b>
<b>Cash flows from investing activities</b>			
Purchase of property, equipment, and intangible assets		(9,853,192)	(5,209,113)
Proceeds from disposal of shares in subsidiary		1,810	-
Proceeds from sale of property, equipment		189,562	586,500
Purchases of investment securities		(47,920,685)	(52,730,602)
Sale of investment securities		36,400,496	12,327,722
Dividends received	37	1,211,887	1,019,336
<b>Net cash used in investing activities</b>		<b>(19,970,122)</b>	<b>(44,006,157)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital			6,911,978
Proceeds from debt securities issued	38	17,250,800	18,438,324
Redemption of debt securities issued	38	(4,380,205)	(137,535)
Proceeds from other borrowed funds	38	72,873,718	50,390,846
Repayment of other borrowed funds	38	(31,001,968)	(35,940,115)
Subordinated loans received	38	-	703,613
Repayment of subordinated loans	38	-	(3,957)
Dividends paid	24	(1,645,608)	(1,011,007)
<b>Net cash from financing activities</b>		<b>53,096,737</b>	<b>39,352,147</b>
Effect of exchange rates changes on cash and cash equivalents		444,352	(2,681,458)
Effect of changes in impairment allowance on cash and cash equivalent		7,073	(23,338)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(6,859,250)</b>	<b>27,870,220</b>
<b>Cash and cash equivalents, beginning</b>		<b>106,030,069</b>	<b>78,159,849</b>
<b>Cash and cash equivalents, ending</b>	<b>7</b>	<b>99,170,819</b>	<b>106,030,069</b>

## Introduction

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB (“IFRS Accounting Standards”) for the year ended 31 December 2025 for ACBA Federation CJSC (the “Company”) and its subsidiaries ((together the “Group”).

ACBA Federation CJSC (the “Company”) is the parent company in the Group, which is comprised of the Company and its subsidiaries ACBA Bank OJSC (the “Bank”) (with ACBA Bank OJSC’s subsidiary ACBA Leasing Credit Organization CJSC) and ACBA Trade LLC (together – the “Group”). It was founded on 6 May 2017 by 10 Rural Mutual Assistance Regional Unions (RMARUs), former shareholders of ACBA Bank OJSC, which are currently shareholders of ACBA Federation CJSC. The RMARUs are non-governmental organizations (NGOs) working in the 10 regions of RA which were founded to develop agriculture in the regions. The 10 RMARUs together have 74,464 members. According to type of activities, it is a profit-oriented organization.

**Principal activity.** The main goal of the Company is to promote the development of agriculture in the whole territory of RA, the development of small and medium enterprises in rural regions, development of communities, enlivening and development of business environment in rural areas and communities.

The Company undertakes programs for introduction of innovative approaches in the agricultural field, finding and implementation of startup initiatives, research of advanced agricultural technologies of the world and their possible implementation in the agriculture of Armenia.

The Bank was formed in 1996 as a cooperative bank with collective ownership under the laws of the Republic of Armenia and reorganized into closed joint stock company in 2006. The Bank operates under a general banking license issued by the Central Bank of Armenia and is a member of the state deposit insurance system in the Republic of Armenia.

The Bank accepts deposits from the public and extends credit, transfers payments in Armenia and abroad, exchanges currencies and provides other banking services to its commercial and retail customers. Its main office is in Yerevan, and it has 65 branches (including Head office) in Yerevan and other regions of Armenia. The Bank’s registered legal address is 82-84 Aram Street, Yerevan, 0002, Armenia.

ACBA Leasing Credit Organization, which is the subsidiary of ACBA Bank OJSC, was formed on 30 March 2003 as a closed joint-stock company under the laws of the Republic of Armenia. The company’s principal activities are finance lease operations with corporate and individual customers. The company possesses a credit organization license from the Central Bank of Armenia. The company was consolidated in these financial statements. The Bank owns 100% shares of ACBA Leasing CJSC.

As at 31 December 2025 ACBA Federation CJSC owns 75% (2024: 75%) shares of ACBA Bank OJSC.

As at 31 December 2025 and 31 December 2024, shareholder of the Group are:

<b>№</b>	<b>Name of the Shareholder</b>	<b>Type of organization</b>	<b>Paid-in share capital</b>	<b>% of paid-in capital</b>
1	Armavir Agricultural Cooperative Regional Union	NGO	4,441,000	19.9
2	Ararat Agricultural Cooperative Regional Union	NGO	3,878,000	17.4
3	Aragatsotn Agricultural Cooperative Regional Union	NGO	2,319,000	10.4
4	Lori Agricultural Cooperative Regional Union	NGO	2,081,000	9.3
5	Shirak Agricultural Cooperative Regional Union	NGO	2,080,000	9.3
6	Kotayk Agricultural Cooperative Regional Union	NGO	1,759,000	7.9
7	Gegharkunik Agricultural Cooperative Regional Union	NGO	1,662,000	7.5
8	Tavush Agricultural Cooperative Regional Union	NGO	1,499,000	6.7
9	Syunik Agricultural Cooperative Regional Union	NGO	1,339,000	6.0
10	Vayots Dzor Agricultural Cooperative Regional Union	NGO	1,254,000	5.6
		<b>Total</b>	<b>22,312,000</b>	<b>100.00</b>

The Group has no single controlling party.

**Presentation currency.** These consolidated financial statements are presented in thousands of Armenian Drams ("AMD"), unless otherwise stated.

## **1 Operating environment of the Group**

**War between Russia and Ukraine.** Following February 2022, sanctions imposed on the Russian Federation and resulting geopolitical developments have affected regional economic conditions.

Since the outbreak of the Russia-Ukraine war, EU export flows have been increasingly reoriented towards other economies in Eastern Europe and Central Asia. This reorientation has boosted associated trade and transport services, cut competition for native exports to Russia, and awakened previously dormant investment in the region.

Since March 2022, EU trade sanctions have nearly halved the European Union's goods exports to Russia and Belarus.

While the likelihood of a negotiated settlement to the conflict remains low in the short term, a prolonged war and continued trade sanctions are expected. This will likely have lasting effects on global trade patterns. The shift in trade flows and the influx of economic activity in Eastern Europe and Central Asia will create lasting impacts on infrastructure development, IT, and production.

While the unwinding of money transfer inflows from Russia has continued, Armenia's economy sustained steady growth through 2025 at 7.2% (2024: 5.9%). When broken down by production sector, economic activity will continue to be driven by growth in construction, industry and service.

When preparing PD forecasts and ECL calculations the Group considered the above-mentioned observations and expectations.

Based on regulatory estimates, although the output gap was positive in the past two years, it has now mostly closed, and GDP has almost converged to its potential level. At the same time, the CBA's output gap estimates reflected non-inclusive growth, with lingering uncertainties about the future economic conditions. This dynamic is linked to non-structural growth, as much of the recent economic expansion may be driven by temporary or sector-specific factors rather than sustainable improvements in productivity, capacity, and long-term growth-enhancing components.

Inflation is expected to reach 3.5% in 2026 owing to interest-rate cuts and a weaker currency.

Looking ahead, while the economic outlook remains strong with projections of steady growth at 4.75% for 2026, long-term growth remains constrained by structural issues, such as Armenia's dependence on commodity exports, logistical challenges, and ongoing regional tensions. These factors will continue to pose risks, particularly in the light of evolving regional security dynamics.

Fitch Ratings has revised the Outlook on Armenia's Long-Term Foreign-Currency (LTFC) Issuer Default Rating (IDR) to Positive from Stable and affirmed the IDR at 'BB-' dated 16 January 2026.

The long-term effects of the current and future economic situation are difficult to assess, and management's current expectations and estimates could differ from the actual results.

## **Sustainability**

### **Environmental, Social and Governance (ESG) matters.**

The Group is exposed to climate related risks arising from both physical and transition drivers. Regulatory expectations relating to the management and disclosure of ESG and climate related risks continue to evolve. Although the regulator has not introduced climate related capital or liquidity requirements, nor mandatory climate stress testing, it has required banks to enhance ESG related disclosures, including governance, risk management practices, and exposures to environmental and social risks.

### ***Environmental & Social (E&S) risk integration in lending***

The Bank does not currently offer green mortgages, green business loans, climate linked covenants, or KPI linked pricing mechanisms. Instead, the Group applies a strong Environmental and Social (E&S) risk assessment process across its entire lending portfolio.

Each Loan that is above 18 mln AMD and longer than 36 month, is assigned an E&S Risk Level, which influences credit underwriting, monitoring, and overall risk evaluation.

### ***Risk appetite, governance, and sustainability controls***

The Group manages sustainability related risks through:

- borrower level E&S screening
- due diligence for medium and high E&S risk clients
- portfolio level monitoring of elevated risk segments
- integration of E&S considerations into credit committees and lending decisions

***Forward-looking uncertainty.*** The long-term effects of the current and future economic situation are difficult to assess and management's current expectations and estimates could differ from the actual results. For the purpose of measurement of expected credit losses ("ECL") the Group uses supportable forward-looking information, including forecasts of macroeconomic variables. As with any economic forecast, however, the projections and likelihoods of their occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different from those projected. Notes 4 and 33 provide more information of how the Group incorporated forward-looking information in the ECL models.

## **2 Basis of preparation**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the initial recognition of financial instruments at fair value, and by the revaluation of land buildings and vehicles, financial instruments categorised at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI") and fair value of ordinary shares for employee stock ownership programme. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

These consolidated financial statements are directed to primary users, being investors who lend or provide equity capital to the reporting entity. These consolidated financial statements assume that the primary users have a reasonable knowledge of business and economic activities and review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena reported in these consolidated financial statements.

These consolidated financial statements aim disclosing only information that management considers is material for the primary users. Management seeks not to reduce the understandability of these consolidated financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

## **3 Material accounting policy information**

***Investments in associates.*** Investments in associates are accounted for under the equity method and are initially recognised at cost, including goodwill.

The future changes in the carrying amount reflect the changes in the Group's share in the net assets of the associated organization after the consolidation. The Group's share in profit or loss of the associated organization is recognized in the consolidated statement of profit or loss and other comprehensive income, and the changes in provisions are recognized in other comprehensive financial results.

**Fair value measurement.** The Group measures financial instruments carried at FVPL and FVOCI and non-financial assets at fair value at each balance sheet date. Fair value is measured in accordance with the requirements of IFRS 13. Fair values of financial instruments measured at amortised cost are disclosed in Note 34.

**Initial recognition.** All regular way purchases and sales of financial assets and liabilities are recognised on the trade date i.e. the date that the Group commits to purchase the asset or liability. Regular way purchases or sales are purchases or sales of financial assets and liabilities that require delivery of assets and liabilities within the period generally established by regulation or convention in the marketplace.

**Initial measurement.** The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value and which is adjusted with the amount of commission fees and expenses, directly attributable to the transaction, in case of instruments, which are not revalued at fair value through profit or loss.

At the initial recognition, the best evidence of the fair value of a financial instrument is the transaction price. If the Group finds that the fair value at initial recognition differs from the transaction price, and if that fair value is based on the quoted price for a similar asset or liability in the market, or is based on the valuation technique, that uses the data of only observable markets, then at the initial recognition, the Group recognizes the difference between the fair value and the transaction price in profit or loss; in all other cases, the initial measurement of a financial instrument is adjusted so that the difference between the fair value and transaction price at initial recognition is transferred to the future periods. After initial recognition, the Group recognizes the deferred difference as a gain or loss, only when the input data become observable or if the instrument is derecognized.

**Measurement categories of financial assets and liabilities.** The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- FVOCI
- FVPL.

The Group classifies and measures its derivative and trading portfolio at FVPL. The Group classifies Visa C shares as debt instruments measured at FVPL. The Group may designate financial instruments at FVPL, if doing so eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and guarantees, are measured at amortized cost or at FVPL when they are held for trading, are derivative instruments or the fair value designation is applied.

Loans and advances to banks, loans to customers, investment securities are measured at amortized cost.

The Group only measures loans and advances to banks, loans to customers and investment securities at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

The details of these conditions are outlined under Note 4.

**Debt instruments at FVOCI.** The Group measures debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

**Guarantees, letters of credit and loan commitments.** The Group issues financial and performance guarantees, letters of credit and loan commitments.

Guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation and an ECL provision.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

**Advances given for finance leases.** The Group treats advances received from lessees and advances given to suppliers as monetary items and recognises financial liabilities and financial assets for them.

**Reclassification of financial assets and liabilities.** The Group does not reclassify its financial assets subsequent to their initial recognition, apart from in exceptional circumstances in which the Group changes the business model for managing financial assets.

**Cash and cash equivalents.** Cash and cash equivalents consist of cash on hand, Nostro accounts in banks and amounts due from the CBA, including obligatory reserves in AMD free from contractual encumbrances. Funds restricted for a period of more than three months on origination are excluded from cash and cash equivalents, both in the statement of financial position and for the purposes of the statement of cash flows.

Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

**Mandatory cash balances with the CBA.** Mandatory cash balances with the CBA are carried at AC and represent non-interest-bearing mandatory reserve deposits, which are not available to finance the Group's day to day operations, and hence are not considered as part of cash and cash equivalents for the purposes of the consolidated statement of cash flows.

**Unsettled transactions.** These transactions are derecognized on the settlement date, being the date on which funds are received by the beneficiary, rather than on the date transfer is initiated.

**Repurchase and reverse repurchase agreements and securities lending.** Sale and repurchase agreements ("repos") are treated as secured financing transactions. Securities sold under sale and repurchase agreements are retained in the consolidated statement of financial position and, in case the transferee has the right by contract or custom to sell or repledge them, reclassified as securities pledged under sale and repurchase agreements. The corresponding liability is presented within amounts due to banks or customers. Securities purchased under agreements to resell ("reverse repo") are recorded as amounts due from banks or loans to customers as appropriate. The difference between sale and repurchase price is treated as interest income and accrued over the life of repo agreements using the effective interest method.

Securities lent to counterparties are retained in the consolidated statement of financial position. Securities borrowed are not recorded in the consolidated statement of financial position, unless these are sold to third parties, in which case the purchase and sale are recorded within gains less losses from trading securities in the consolidated statement of profit or loss. The obligation to return them is recorded at fair value as a trading liability.

**Borrowings.** Borrowing include amounts due to the Central bank, amounts due to banks, amounts due to customers, debt securities issued, other borrowed funds and subordinated loans. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the borrowings are derecognised and through the amortisation process.

**Subordinated loans.** Subordinated debt is carried at amortised cost.

### **Redemption Liability**

The Group recognises a financial liability for contractual obligation to repurchase equity instruments, such as put options written on non-controlling interests, for cash or another financial asset, in accordance with IAS 32. The liability is initially measured at the present value of the redemption amount and subsequently measured at amortised cost. Changes in the carrying amount of the liability are recognised in profit or loss as interest expense.

**Debt securities issued.** Debt securities in issue include promissory notes, bonds issued by the Group. Debt securities are stated at amortised cost.

### **Leases**

**Group as a lessee.** The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets.** The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

**Short-term leases and leases of low-value assets.** The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below AMD 2,500 thousand).

**Operating – Group as a lessor.** Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

**Finance – Group as a lessor.** The Group recognises lease receivables at value equal to the net investment in the lease, starting from the date of commencement of the lease term.

Recognition of financial income is based on schedule that provides a fixed periodic rate of return on the lessor's net investment under the lease. Finance income from leases is recorded within "Other interest revenue" in profit or loss. Initial direct costs are included in the initial estimate of finance lease receivables.

Credit loss allowance is recognised in accordance with the general ECL model. The ECL is determined in the same way as for loans and advances measured at AC. Interest income is recognised on gross carrying amount, except for impaired loans in stage 3, for which interest income is recognised on net carrying amount.

**Restructured/Refinanced loans.** Whenever possible, the Group aims to restructure loans instead of seizing collateral. This may involve extending the payment terms and negotiating new loan conditions.

The Group derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be POCI. When assessing whether to derecognise a loan to a customer, the Group considers the following factors, amongst others:

- Change in currency of the loan.
- Change in counterparty.

If the modification is such then the instrument would no longer meet the SPPI criterion.

For modifications that do not result in derecognition, the Group also reassesses whether there has been a significant increase in credit risk or if the assets should be classified as credit-impaired. Once an asset has been classified as credit-impaired, it will remain in Stage 3. Stage 3 loans may be reclassified if the following conditions are met:

1. Loans with a Monthly Repayment Schedule – The customer fully repays the overdue amount and then makes 6 consecutive principal and interest payments according to the revised repayment schedule, with no overdue days exceeding 7 calendar days. Additionally, the loan may only be reclassified if there are no other factors requiring classification in a stricter stage at that time.
2. Loans with a Flexible Repayment Schedule – The customer fully repays the overdue amount and then makes scheduled principal and interest payments over the next 6 to 12 months, with no overdue days exceeding 7 calendar days. Additionally, the loan may only be reclassified if there are no other factors requiring classification in a stricter stage at that time.

If a loan has undergone multiple reviews of conditions, the most recent review will determine the start of the probation period. The repayment schedule must be restored, and the required payments must be made for all loans of the customer.

If a delay occurs during the probation period, the calculation of the probation period will restart from the date when repayments according to the schedule resume.

#### ***Derecognition of financial assets and liabilities***

***Write-off.*** Financial assets are written off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount.

***Taxation.*** The current income tax expense is calculated in accordance with the regulations of the Republic of Armenia.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

***Property and equipment.*** Property and equipment are carried at initial cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any accumulated impairment. Such cost includes the cost of replacing part of equipment when that cost is incurred if the recognition criteria are met.

Following initial recognition at cost, land, buildings and motor vehicles are carried at a revalued amount. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognized.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

	<b>Years</b>
Buildings	46
Equipment	7-20
Motor vehicles	8
Other	7-15

Leasehold improvements are capitalized and depreciated over the shorter of the lease term and their useful lives on a straight-line basis.

The asset's residual values, useful lives and methods are reviewed, and adjusted as appropriate, at each financial year end.

Costs related to repairs and renewals are charged when incurred and included in other operating expenses, unless they qualify for capitalization.

**Intangible assets.** Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets. The estimated useful lives range is from 1 to 10 years.

**Repossessed assets.** Repossessed assets are measured at the lower of cost and net releasable value.

**Share capital.** Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction from the proceeds in equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as share premium.

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

**Fiduciary assets.** Assets held in a fiduciary capacity are not reported in the consolidated financial statements, as they are not the assets of the Group.

**Interest and similar income and expense.** The Group calculates interest revenue on debt financial assets measured at amortized cost or at FVOCI by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest revenue or expense.

If the credit risk on the financial asset classified in Stage 3 subsequently improves so that the asset is no longer credit-impaired and the improvement can be related objectively to an event occurring after the asset had been determined as credit-impaired (i.e. the asset becomes cured), the asset is reclassified from stage 3 and the interest revenue is calculated by applying the EIR to the gross carrying amount. The additional interest income, which was previously not recognised in P&L due to the asset being in stage 3 but it is now expected to be received following the asset's curing, is recognised as a reversal of impairment.

Interest revenue on advances given for finance lease and interest revenue recognised on finance lease is recognised using the contractual interest rate in "Other interest revenue" in the consolidated statement of profit or loss.

Interest revenue from penalties on loans to customers are presented in "Interest revenue calculated using effective interest rate" in the consolidated statement of profit or loss.

**Fee and commission income.** The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

*Fee income earned from services that are provided over a certain period of time*

Fees earned for the provision of services over a period of time are accrued over that period as respective performance obligations are satisfied. These fees include commission income from various activities, including card issuance and acquiring, money transfers, issuance of guarantees and letters

of credit (LCs), account servicing and similar income. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognised as an adjustment to the effective interest rate on the loan.

*Fee income from providing transaction services*

Fees arising from negotiating or participating in the negotiation of a transaction for a third party – such as where the Group's performance obligation is the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses – are recognised on completion of the underlying transaction.

*Customer loyalty programs*

The Group offers a number of customer loyalty programs. Accounting for such programs varies depending on who is identified as the customer, and whether the Group acts as an agent or as a principal under the contract. For point-based programs, the Group generally recognizes a liability for the accumulated points that are expected to be utilized by the customers, which is reversed to profit or loss as the points expire. Cashbacks on plastic card transactions reduce fee and commission income.

*Dividend income*

Income is recognised when the Group's right to receive the payment is established.

**Foreign currency translation.** The consolidated financial statements are presented in thousands Armenian Drams, which is the Bank's and its subsidiaries functional currency. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Gains and losses resulting from the translation of foreign currency transactions are recognised in the consolidated statement of profit or loss as Net gain/(loss) from foreign exchange translation differences.

Differences between the contractual exchange rate of a transaction in a foreign currency and the Central Bank exchange rate on the date of the transaction are included in Net gain/(loss) from foreign exchange trading activities. The official CBA exchange rates at 31 December 2025 and 31 December 2024, were 381.36 Drams and 396.56 Drams to 1 USD and 449.01 Drams and 413.89 Drams to 1 EUR, respectively.

**Share-based payments.** Employees (including senior executives) of the Group can receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions) of the Bank.

#### **4 Critical accounting estimates and judgements in applying accounting policies**

The Group makes estimates and assumptions that affect the amounts recognised in the consolidated financial statements, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year are explained below.

**Fair value of financial assets and liabilities.** Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Additional details are provided in Note 34.

**Fair value of land, buildings and motor vehicles.** Fair value of the properties is determined by using market comparable method. This means that valuations performed by the valuer are based on market transaction prices, adjusted for difference in the nature, location or condition of the specific property. The Group assesses market movements for significant changes each year and engages independent experts for valuation of its premises and vehicles, whenever relevant and appropriate (note 34).

**Impairment losses on financial assets.** The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. In addition, large-scale business disruptions may give rise to liquidity issues for some entities and consumers. The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Statistical models to estimate PDs, EADs and LGDs on a collective basis;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as real sector variables and collateral values, and the effect on PDs, EADs and LGDs;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The amount of allowance for loan and finance lease impairment recognized in consolidated statement of financial position at 31 December 2025 was AMD 10,898,268 thousand (2024: AMD 7,244,899 thousand). More details are provided in Notes 11 and 12.

**Redemption liability.** The recognition and measurement of redemption liabilities involve significant judgement and assumptions. This includes estimating the amount and timing of expected payments and selecting an appropriate discount rate.

The discount rate applied in the valuation reflects the Group's cost of debt, representing management's best estimate of the time value of money and relevant risk factors. In addition, the forecasted cash flows used in estimating the redemption amount are derived from the Bank's long-term growth rate assumptions, which are aligned with its strategic business plan and considered to reflect a normalised growth rate. Details of sensitivity analysis of estimate are provided in Note 23.

**Initial recognition of related party transactions.** In the normal course of business, the Group enters into transactions with its related parties. IFRS 9 requires initial recognition of financial instruments based on their fair values. Judgement is applied in determining if transactions are priced at market or non-market interest rates, where there is no active market for such transactions. The basis for judgement is pricing for similar types of transactions with unrelated parties and effective interest rate analysis. Terms and conditions of related party balances are disclosed in Note 36.

## **5 Adoption of new or revised Standards and Interpretations**

The following amendments became effective from 1 January 2025:

**Amendments to IAS 21 Lack of Exchangeability (Issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).** In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. It is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences. The application of the above amendments had no significant impact on the Group's consolidated financial statements.

## 6 New accounting pronouncements

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 1 January 2026 or later, and which the Group has not early adopted.

**Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).** On 30 May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to:

- (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
- (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group is currently assessing the impact of the amendments on its financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027).** In April 2024, the IASB has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The Group is currently assessing the impact of the amendments on its financial statements.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024, then amended on 21 August 2025 and effective for annual periods beginning on or after 1 January 2027).** IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. The Group is not eligible to apply the reduced disclosure requirements introduced by this standard.

**IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014).** IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. This standard will be effective from a date that is yet to be determined by the IASB.

**Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).** These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are held by a subsidiary. In 2015, the IASB decided to postpone the effective date of these amendments indefinitely.

**Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).** The IASB has issued amendments to help companies better report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Current accounting requirements may not adequately capture how these contracts affect a company's performance. To allow companies to better reflect these contracts in the financial statements, the IASB has made targeted amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*. The amendments include: (a) clarifying the application of the 'own-use' requirements; (b) relaxing certain hedge accounting requirements if these contracts are used as hedging instruments; and (c) adding new disclosure requirements to enable investors to understand the effect of these contracts on financial performance and cash flows. The Group is currently assessing the impact of the amendments on its financial statements.

**Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).** IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS Accounting Standards if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13. In addition, certain IFRS 7 implementation guidance examples were clarified and text added that the examples do not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7. IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment. In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'. IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent. IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS Accounting Standards in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

## 7 Cash and cash equivalents

Cash and cash equivalents comprise:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Cash on hand	28,676,392	26,853,397
Current accounts with the Central Bank, including obligatory reserves (not restricted part, see Note 9)	23,150,508	71,346,538
Current accounts with other banks		
- rated BBB-(Baa3) and over	22,270,889	1,004,207
- rated lower than BBB-(Baa3) and without rating	1,089,775	2,288,519
<i>Short-term deposits in Central Bank</i>		
- rated BBB-(BAA3) and over	24,006,026	4,567,681
Impairment	(22,771)	(30,273)
<b>Cash and cash equivalents</b>	<b>99,170,819</b>	<b>106,030,069</b>

The Group mainly uses credit ratings per Moody's rating agency in disclosing credit quality, but ratings given by other international rating agencies may also be used. In the absence of ratings from international rating agencies, the country's rating is considered, but a rating lower than the country's rating may also be applied.

As of 31 December 2025, current accounts with Central Bank of Armenia include obligatory reserve in the amount of AMD 18,891,173 thousand (2024: AMD 28,131,042 thousand).

Banks are required to maintain cash deposit (obligatory reserve) with the CBA, equal to 4% (2024: 4%) of the amounts attracted in Armenian drams and 15% (2024: 18%) of the amounts attracted in foreign currencies.

For funds attracted in Armenian drams, banks are required to carry out reserve requirements in Armenian drams; for funds attracted in EUR, in EUR; and for funds attracted in USD and other foreign currencies, in the respective foreign currencies. In 2024, from the amounts attracted in foreign currency, banks were required to maintain 6% of the funds in local currency as a cash deposit with the Central Bank of Armenia, and 12% in foreign currency.

Moreover, the banks' ability to withdraw reserved amounts in foreign currency is restricted, so the Group classifies obligatory reserves deposited in foreign currency as loans and advances to banks (Note 9).

All balances of cash equivalents are allocated to Stage 1. An analysis of changes in the ECL allowances during the year is, as follows:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
ECL allowance as at 1 January	30,273	6,935
Changes in ECL	(7,073)	24,214
Foreign exchange adjustments	(429)	(876)
<b>At 31 December</b>	<b>22,771</b>	<b>30,273</b>

Information about credit quality of cash and cash equivalents is presented in Note 33 "Risk management".

## 8 Derivative financial instruments

The Group enters into derivative financial instruments for trading and hedging purposes. The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts.

<i>In thousands of Armenian Drams</i>	2025		2024	
	Notional amount	Fair value	Notional amount	Fair value
<b>Assets</b>				
Derivative financial instruments				
Interest rate swap	693,382	17,090	4,189,455	81,500
Currency swap	21,047,229	18,906	1,189,680	76,680
	<b>21,740,611</b>	<b>35,996</b>	<b>5,379,135</b>	<b>158,180</b>
<b>Liabilities</b>				
Derivative financial instruments				
Currency swap	21,268,073	267,508	-	-

## 9 Loans and advances to banks

Loans and advances to banks comprise:

<i>In thousands of Armenian Drams</i>	2025	2024
<b>Due from the CBA</b>		
Credit card settlement deposit with the CBA	13,737,500	6,732,500
Mandatory reserves in CBA (in foreign currency) (Note 7)	37,597,853	27,746,257
<b>Total</b>	<b>51,335,353</b>	<b>34,478,757</b>
<b>Loans and advances to other banks</b>		
Armenian banks		
-rated from Ba1 to Ba3	1,934,884	2,012,723
Foreign banks		
-rated from AA1 to AA3	327,358	19,828
-rated from A1 to A3	750,848	610,545
Correspondent accounts and overnight placements of other banks	3,149	-
<b>Total loans and deposits to other banks</b>	<b>3,016,239</b>	<b>2,643,096</b>
<b>Other receivables</b>		
Unsettled transactions	198,568	3,390,351
Amounts receivable from money transfer systems	3,564,967	1,682,196
Amounts receivable from transactions with plastic cards	309,826	604,317
<b>Amounts receivable under reverse repurchase agreements</b>		
Amounts receivable from Armenian banks	34,619,241	38,747,711
<b>Loans and advances to banks before impairment</b>	<b>93,044,194</b>	<b>81,546,428</b>
Impairment	(84,408)	(64,000)
<b>Total loans and advances to banks</b>	<b>92,959,786</b>	<b>81,482,428</b>

As of 31 December 2025, mandatory reserves in Central Bank of Armenia include reserves in foreign currencies in the amount of AMD 37,597,853 thousand (2024: AMD 27,746,257 thousand) (See Note 7).

As at 31 December 2025, AMD 518,037 thousand (2024: AMD 471,749 thousand) were placed as deposited amounts with two (2024: two) internationally recognized OECD banks, who are the main counterparties of the Group in performing international settlements.

An analysis of changes in ECL allowance on loans and advances to banks during the year ended 31 December 2025 is as follows:

<i>In thousands of Armenian Drams</i>	Stage 1	Total
<b>ECL allowance as at 1 January 2025</b>	<b>(64,000)</b>	<b>(64,000)</b>
New assets originated or purchased	(82,828)	(82,828)
Assets repaid	62,420	62,420
<b>At 31 December 2025</b>	<b>(84,408)</b>	<b>(84,408)</b>

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An analysis of changes in ECL allowance on loans and advances to banks during the year ended 31 December 2024 is as follows:

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Total</b>
<b>ECL allowance as at 1 January 2024</b>	<b>(56,465)</b>	<b>(56,465)</b>
New assets originated or purchased	(64,000)	<b>(64,000)</b>
Assets repaid	56,465	<b>56,465</b>
<b>At 31 December 2024</b>	<b>(64,000)</b>	<b>(64,000)</b>

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
	<b>Stage 1</b>	<b>Stage 1</b>
Due from the CBA	51,335,353	34,478,757
Expected credit loss allowance	(51,644)	(19,237)
<b>Carrying amount</b>	<b>51,283,709</b>	<b>34,459,520</b>
Loans and advances to other banks	3,016,239	2,643,096
Expected credit loss allowance	(31,832)	(34,091)
<b>Carrying amount</b>	<b>2,984,407</b>	<b>2,609,005</b>
Amounts receivable under reverse repurchase agreements	34,619,241	38,747,711
Expected credit loss allowance	-	-
<b>Carrying amount</b>	<b>34,619,241</b>	<b>38,747,711</b>
Other receivables	4,073,361	5,676,864
Expected credit loss allowance	(932)	(10,672)
<b>Carrying amount</b>	<b>4,072,429</b>	<b>5,666,192</b>
<b>Total due from other banks (gross carrying amount)</b>	<b>93,044,194</b>	<b>81,546,428</b>
Expected credit loss allowance	(84,408)	(64,000)
<b>Net loans and advances to banks (carrying amount)</b>	<b>92,959,786</b>	<b>81,482,428</b>

Information about credit quality of loans and advances to banks is presented in Note 33 "Risk management".

## 10 Investment securities

Investment securities as at 31 December 2025 and 31 December 2024 comprise:

<b>Debt securities at amortised cost</b>	<b>2025</b>	<b>2024</b>
<i>In thousands of Armenian Drams</i>		
<b>Held by the Bank</b>		
Government bonds measured at amortised cost	63,761,204	43,820,614
Corporate bonds measured at amortised cost	2,350,072	1,788,021
Less: allowance for impairment	(99,072)	(66,089)
<b>Total securities at amortised cost held by the Bank</b>	<b>66,012,204</b>	<b>45,542,546</b>
<b>Debt and other equity instruments at FVOCI</b>	<b>31 December</b>	<b>31 December</b>
<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
<b>Held by the Bank</b>		
<b>Government bonds</b>		
Government securities of the Republic of Armenia	3,314,315	12,571,293
<b>Corporate bonds</b>		
Bonds of Armenian companies	-	296,704
<b>Equity instruments</b>		
Unquoted equity securities	398,796	397,907
<b>Total debt and other equity instruments at FVOCI held by the Bank</b>	<b>3,713,111</b>	<b>13,265,904</b>

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**Dept instruments held by the Bank at FVTPL**

*In thousands of Armenian Drams*

	2025	2024
Quoted debt securities – shares Visa Series C	3,521,820	3,300,159
<b>Total debt and other equity instruments at FVTPL held by the Bank</b>	<b>3,521,820</b>	<b>3,300,159</b>
<b>Total Investment securities</b>	<b>73,247,135</b>	<b>62,108,609</b>

An analysis of changes in the gross carrying values and associated ECLs in relation to debt securities at amortised cost is as follows:

**Debt securities at amortised cost**

*In thousands of Armenian Drams*

	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying value as at 1 January 2025</b>	<b>45,608,635</b>	-	-	<b>45,608,635</b>
New assets originated or purchased	52,336,410	-	-	<b>52,336,410</b>
Assets repaid	(31,489,334)	-	-	<b>(31,489,334)</b>
Foreign exchange adjustments	(344,435)	-	-	<b>(344,435)</b>
<b>At 31 December 2025</b>	<b>66,111,276</b>	-	-	<b>66,111,276</b>

**Debt securities at amortised cost**

*In thousands of Armenian Drams*

	Stage 1	Stage 2	Stage 3	Total
<b>ECLs as at 1 January 2025</b>	<b>66,089</b>	-	-	<b>66,089</b>
New assets originated or purchased	61,143	-	-	<b>61,143</b>
Assets repaid	(13,150)	-	-	<b>(13,150)</b>
Changes to models and inputs used for ECL calculations	(14,285)	-	-	<b>(14,285)</b>
Foreign exchange adjustments	(725)	-	-	<b>(725)</b>
<b>At 31 December 2025</b>	<b>99,072</b>	-	-	<b>99,072</b>

**Debt securities at amortised cost**

*In thousands of Armenian Drams*

	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying value as at 1 January 2024</b>	-	-	-	-
New assets originated or purchased	45,608,635	-	-	<b>45,608,635</b>
Assets repaid	-	-	-	-
<b>At 31 December 2024</b>	<b>45,608,635</b>	-	-	<b>45,608,635</b>

**Debt securities at amortised cost**

*In thousands of Armenian Drams*

	Stage 1	Stage 2	Stage 3	Total
<b>ECLs as at 1 January 2024</b>	-	-	-	-
New assets originated or purchased	66,089	-	-	<b>66,089</b>
Assets repaid	-	-	-	-
<b>At 31 December 2024</b>	<b>66,089</b>	-	-	<b>66,089</b>

An analysis of changes in the gross carrying values and associated ECLs in relation to debt securities at FVOCI is as follows:

**Debt securities at FVOCI**

*In thousands of Armenian Drams*

	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying value as at 1 January 2025</b>	<b>12,867,997</b>	-	-	<b>12,867,997</b>
New assets originated or purchased	448,726	-	-	<b>448,726</b>
Assets repaid	(10,112,688)	-	-	<b>(10,112,688)</b>
Net change in fair value	208,610	-	-	<b>208,610</b>
Foreign exchange adjustments	(98,330)	-	-	<b>(98,330)</b>
<b>At 31 December 2025</b>	<b>3,314,315</b>	-	-	<b>3,314,315</b>

**Debt securities at FVOCI**

*In thousands of Armenian Drams*

	Stage 1	Stage 2	Stage 3	Total
<b>ECLs as at 1 January 2025</b>	<b>10,543</b>	-	-	<b>10,543</b>
New assets originated or purchased	-	-	-	-
Assets repaid	(4,535)	-	-	<b>(4,535)</b>
Impact on period end ECL of exposures transferred between stages during the period	-	-	-	-
Changes to models and inputs used for ECL calculations	(1,460)	-	-	<b>(1,460)</b>
Amounts written off	-	-	-	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2025</b>	<b>4,548</b>	-	-	<b>4,548</b>

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<b>Debt securities at FVOCI</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>18,534,900</b>	-	-	<b>18,534,900</b>
New assets originated or purchased	-	-	-	-
Assets repaid	(5,631,635)	-	-	<b>(5,631,635)</b>
Net change in fair value	141,381	-	-	<b>141,381</b>
Amounts written off	-	-	-	-
Foreign exchange adjustments	(176,649)	-	-	<b>(176,649)</b>
<b>At 31 December 2024</b>	<b>12,867,997</b>	-	-	<b>12,867,997</b>
<b>Debt securities at FVOCI</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECLs as at 1 January 2024</b>	<b>35,929</b>	-	-	<b>35,929</b>
New assets originated or purchased	-	-	-	-
Assets repaid	(7,365)	-	-	<b>(7,365)</b>
Impact on period end ECL of exposures transferred between stages during the period	-	-	-	-
Changes to models and inputs used for ECL calculations	(17,943)	-	-	<b>(17,943)</b>
Amounts written off	-	-	-	-
Foreign exchange adjustments	(78)	-	-	<b>(78)</b>
<b>At 31 December 2024</b>	<b>10,543</b>	-	-	<b>10,543</b>

As at 31 December 2025 and 2024 unquoted equity securities at FVOCI primarily include mandatory shares in payment systems and clearing houses.

In 2025, the Group received dividends of AMD 1,932 thousand (2024: AMD 2,174 thousand) from its equity instruments which was recorded in the consolidated statement as other income.

At 31 December 2025 96.61% (2024: 96.4%) of debt instruments are presented by government bonds of the Republic of Armenia.

At 31 December 2025 and 2024 no securities were past due or impaired and there were no renegotiated balances of investment securities that would otherwise be past due.

Information about credit quality of debt instruments is presented in Note 33 "Risk management".

## **11 Loans to customers**

Loans to customers as of 31 December 2025 and 31 December 2024 comprise:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
<b>Loans to corporate customers</b>		
Loans to small and medium size companies	100,617,426	105,020,228
Loans to large corporate customers	160,825,308	118,062,162
<b>Total loans to corporate customers</b>	<b>261,442,734</b>	<b>223,082,390</b>
<b>Loans to retail customers (other than agricultural and corporate loans)</b>		
Consumer loans	170,834,494	135,842,235
Mortgage loans	98,473,398	81,154,832
Credit cards	16,294,651	14,173,742
<b>Total loans to retail customers</b>	<b>285,602,543</b>	<b>231,170,809</b>
Agricultural loans to retail customers	70,593,249	69,491,921
Agricultural loans to corporate customers	20,387,429	16,722,264
<b>Total agricultural loans to customers</b>	<b>90,980,678</b>	<b>86,214,185</b>
<b>Gross loans to customers</b>	<b>638,025,955</b>	<b>540,467,384</b>
Credit loss allowance	(10,342,918)	(6,483,913)
<b>Net loans to customers at amortised cost</b>	<b>627,683,037</b>	<b>533,983,471</b>

**Improvement in write-off policy.** During 2025, the Bank implemented an improvement to its write-off policy by extending the period after which loans are considered irrecoverable. This change affects the timing and criteria under which financial assets are written off, with the aim of aligning the policy more closely with updated internal risk assessments and industry practices.

The implementation did not have a material impact on the carrying value of loans and advances to customers or on the impairment loss recognized in the statement of profit or loss for the year.

In conjunction with this change, the Bank updated its credit loss models and enhanced internal systems and controls to ensure consistent application of the revised policy. The financial impact of the new write-off criteria has been incorporated into the expected credit loss calculations and overall credit risk management framework.

**Allowance for impairment of loans to customers at amortised cost.** An analysis of changes in the gross carrying value and corresponding ECL in relation to corporate lending during the year ended 31 December 2025 is as follows:

<b>Loans to large corporate customers</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2025</b>	<b>114,467,751</b>	-	<b>3,594,411</b>	<b>118,062,162</b>
New assets originated or purchased	100,656,209	-	-	<b>100,656,209</b>
Assets repaid	(56,338,767)	-	(658,031)	<b>(56,996,798)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(2,577,748)	-	2,577,748	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(770,556)	-	(125,709)	<b>(896,265)</b>
<b>At 31 December 2025</b>	<b>155,436,889</b>	-	<b>5,388,419</b>	<b>160,825,308</b>

<b>Loans to large corporate customers</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2025</b>	<b>172,790</b>	-	<b>1,446,259</b>	<b>1,619,049</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	286,450	-	-	<b>286,450</b>
Assets repaid	(74,165)	-	(19,904)	<b>(94,069)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(179,172)	-	179,172	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	616,171	<b>616,171</b>
Changes to models and inputs used for ECL calculations	(38,003)	-	77,531	<b>39,528</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(4,890)</b>	-	<b>852,970</b>	<b>848,080</b>

<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	139,668	<b>139,668</b>
Amounts written off	-	-	-	-
Foreign exchange adjustments	(865)	-	(63,278)	<b>(64,143)</b>
<b>At 31 December 2025</b>	<b>167,035</b>	-	<b>2,375,619</b>	<b>2,542,654</b>

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<b>Loans to small and medium-sized companies</b>				
<i>In thousands of Armenian Drams</i>	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying value as at 1 January 2025</b>	<b>100,439,384</b>	<b>3,160,932</b>	<b>1,419,912</b>	<b>105,020,228</b>
New assets originated or purchased	52,869,428	-	-	<b>52,869,428</b>
Assets repaid	(54,387,119)	(1,210,426)	(1,200,889)	<b>(56,798,434)</b>
Transfers to Stage 1	12,285	(12,285)	-	-
Transfers to Stage 2	(1,379,868)	1,379,868	-	-
Transfers to Stage 3	(1,559,489)	(277,486)	1,836,975	-
Amounts written off	-	-	(39,551)	<b>(39,551)</b>
Foreign exchange adjustments	(411,301)	(13,440)	(9,504)	<b>(434,245)</b>
<b>At 31 December 2025</b>	<b>95,583,320</b>	<b>3,027,163</b>	<b>2,006,943</b>	<b>100,617,426</b>

<b>Loans to small and medium-sized companies</b>				
<i>In thousands of Armenian Drams</i>	Stage 1	Stage 2	Stage 3	Total
<b>ECL as at 1 January 2025</b>	<b>155,703</b>	<b>47,109</b>	<b>358,828</b>	<b>561,640</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	217,620	-	-	<b>217,620</b>
Assets repaid	(57,955)	(5,386)	(123,744)	<b>(187,085)</b>
Transfers to Stage 1	75	(75)	-	-
Transfers to Stage 2	(16,199)	16,199	-	-
Transfers to Stage 3	(147,389)	(18,112)	165,501	-
Impact on period end ECL of exposures transferred between stages during the period	(65)	11,387	251,263	<b>262,585</b>
Changes to models and inputs used for ECL calculations	(39,961)	(11,431)	(150,370)	<b>(201,762)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(43,874)</b>	<b>(7,418)</b>	<b>142,650</b>	<b>91,358</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	30,150	<b>30,150</b>
Amounts written off	-	-	(39,551)	<b>(39,551)</b>
Foreign exchange adjustments	(449)	(46)	(1,193)	<b>(1,688)</b>
<b>At 31 December 2025</b>	<b>111,380</b>	<b>39,645</b>	<b>490,884</b>	<b>641,909</b>

An analysis of changes in the gross carrying value and corresponding ECL in relation to agricultural loans during the year ended 31 December 2025 is as follows:

<b>Agricultural loans to retail customers</b>				
<i>In thousands of Armenian Drams</i>	Stage 1	Stage 2	Stage 3	Total
<b>Gross carrying value as at 1 January 2025</b>	<b>66,739,471</b>	<b>842,095</b>	<b>1,910,355</b>	<b>69,491,921</b>
New assets originated or purchased	41,442,814	-	-	<b>41,442,814</b>
Assets repaid	(38,498,119)	(469,489)	(1,271,691)	<b>(40,239,299)</b>
Transfers to Stage 1	11,690	(11,690)	-	-
Transfers to Stage 2	(496,855)	496,855	-	-
Transfers to Stage 3	(1,220,197)	(74,332)	1,294,529	-
Amounts written off	-	-	(93,288)	<b>(93,288)</b>
Foreign exchange adjustments	(7,326)	(15)	(1,558)	<b>(8,899)</b>
<b>At 31 December 2025</b>	<b>67,971,478</b>	<b>783,424</b>	<b>1,838,347</b>	<b>70,593,249</b>

<b>Agricultural loans to retail customers</b>				
<i>In thousands of Armenian Drams</i>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2025</b>	<b>130,533</b>	<b>9,730</b>	<b>527,162</b>	<b>667,425</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	243,672	-	-	<b>243,672</b>
Assets repaid	(43,905)	(1,889)	(176,747)	<b>(222,541)</b>
Transfers to Stage 1	385	(385)	-	-
Transfers to Stage 2	(2,794)	2,794	-	-
Transfers to Stage 3	(196,334)	(3,743)	200,077	-
Impact on period end ECL of exposures transferred between stages during the period	(242)	4,789	170,447	<b>174,994</b>
Changes to models and inputs used for ECL calculations	(47,032)	(2,297)	(136,106)	<b>(185,435)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(46,250)</b>	<b>(731)</b>	<b>57,671</b>	<b>10,690</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	53,763	<b>53,763</b>
Amounts written off	-	-	(93,288)	<b>(93,288)</b>
Foreign exchange adjustments	(32)	(1)	(353)	<b>(387)</b>
<b>At 31 December 2025</b>	<b>84,251</b>	<b>8,997</b>	<b>544,955</b>	<b>638,203</b>
<b>Agricultural loans to corporate customers</b>				
<i>In thousands of Armenian Drams</i>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2025</b>	<b>16,663,940</b>	<b>2,147</b>	<b>56,177</b>	<b>16,722,264</b>
New assets originated or purchased	5,474,602	-	-	<b>5,474,602</b>
Assets repaid	(1,705,903)	(2,147)	(72,819)	<b>(1,780,869)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(251,666)	-	251,666	-
Amounts written off	-	-	-	-
Foreign exchange adjustments	(28,167)	-	(401)	<b>(28,568)</b>
<b>At 31 December 2025</b>	<b>20,152,806</b>	<b>-</b>	<b>234,623</b>	<b>20,387,429</b>
<b>Agricultural loans to corporate customers</b>				
<i>In thousands of Armenian Drams</i>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2025</b>	<b>29,808</b>	<b>209</b>	<b>7,994</b>	<b>38,011</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	9,476	-	-	<b>9,476</b>
Assets repaid	(1,145)	(209)	-	<b>(1,354)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(15,481)	-	15,481	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	37,190	<b>37,190</b>
Changes to models and inputs used for ECL calculations	(7,393)	-	(8,513)	<b>(15,906)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(14,543)</b>	<b>(209)</b>	<b>44,158</b>	<b>29,406</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	4,850	<b>4,850</b>
Amounts written off	-	-	-	-
Foreign exchange adjustments	(22)	-	-	<b>(22)</b>
<b>At 31 December 2025</b>	<b>15,243</b>	<b>-</b>	<b>57,002</b>	<b>72,245</b>

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An analysis of changes in the gross carrying value and corresponding ECL in relation to consumer loans during the year ended 31 December 2025 is as follows:

<b>Consumer loans</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2025</b>	<b>130,498,172</b>	<b>1,388,988</b>	<b>3,955,075</b>	<b>135,842,235</b>
New assets originated or purchased	110,507,670	-	-	<b>110,507,670</b>
Assets repaid	(70,941,086)	(609,911)	(2,422,964)	<b>(73,973,961)</b>
Transfers to Stage 1	85,028	(85,028)	-	-
Transfers to Stage 2	(1,778,449)	1,778,449	-	-
Transfers to Stage 3	(4,954,347)	(631,644)	5,585,991	-
Amounts written off	-	-	(1,540,287)	<b>(1,540,287)</b>
Foreign exchange adjustments	(780)	-	(383)	<b>(1,163)</b>
<b>At 31 December 2025</b>	<b>163,416,208</b>	<b>1,840,854</b>	<b>5,577,432</b>	<b>170,834,494</b>

<b>Consumer loans</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2025</b>	<b>878,355</b>	<b>193,199</b>	<b>1,825,435</b>	<b>2,896,989</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	2,543,386	-	-	<b>2,543,386</b>
Assets repaid	(271,316)	(23,687)	(347,863)	<b>(642,866)</b>
Transfers to Stage 1	7,589	(7,589)	-	-
Transfers to Stage 2	(288,163)	288,163	-	-
Transfers to Stage 3	(1,327,157)	(150,298)	1,477,455	-
Impact on period end ECL of exposures transferred between stages during the period	(6,282)	100,134	2,003,284	<b>2,097,136</b>
Changes to models and inputs used for ECL calculations	21,866	(3,343)	(138,993)	<b>(120,470)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>679,923</b>	<b>203,380</b>	<b>2,993,883</b>	<b>3,877,186</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	220,363	<b>220,363</b>
Amounts written off	-	-	(1,540,287)	<b>(1,540,287)</b>
Foreign exchange adjustments	(1)	-	(152)	<b>(153)</b>
<b>At 31 December 2025</b>	<b>1,558,277</b>	<b>396,579</b>	<b>3,499,242</b>	<b>5,454,098</b>

An analysis of changes in the gross carrying value and corresponding ECL in relation to mortgage loans during the year ended 31 December 2025 is as follows:

<b>Mortgage loans</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2025</b>	<b>79,131,126</b>	<b>738,568</b>	<b>1,266,358</b>	<b>18,780</b>	<b>81,154,832</b>
New assets originated or purchased	27,410,995	-	-	-	<b>27,410,995</b>
Assets repaid	(9,708,049)	(82,940)	(219,561)	(15,491)	<b>(10,026,041)</b>
Transfers to Stage 1	78,859	(78,859)	-	-	-
Transfers to Stage 2	(521,464)	521,464	-	-	-
Transfers to Stage 3	(483,236)	(79,386)	562,622	-	-
Amounts written off	-	-	(6,869)	-	<b>(6,869)</b>
Foreign exchange adjustments	(49,771)	(2,979)	(6,643)	(126)	<b>(59,519)</b>
<b>At 31 December 2025</b>	<b>95,858,460</b>	<b>1,015,868</b>	<b>1,595,907</b>	<b>3,163</b>	<b>98,473,398</b>

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<b>Mortgage loans</b>					
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>ECL as at 1 January 2025</b>	<b>61,642</b>	<b>11,741</b>	<b>328,704</b>	<b>-</b>	<b>402,087</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>					
New assets originated or purchased	45,697	-	-	-	<b>45,697</b>
Assets repaid	(4,308)	(3,239)	(3,036)	(80)	<b>(10,663)</b>
Transfers to Stage 1	1,417	(1,417)	-	-	-
Transfers to Stage 2	(13,802)	13,802	-	-	-
Transfers to Stage 3	(21,951)	(1,854)	23,805	-	-
Impact on period end ECL of exposures transferred between stages during the period	(1,388)	6,522	90,750	-	<b>95,884</b>
Changes to models and inputs used for ECL calculations	(28,360)	(2,259)	(57,648)	2,088	<b>(86,179)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(22,695)</b>	<b>11,555</b>	<b>53,871</b>	<b>2,008</b>	<b>44,739</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>					
Unwinding of discount (deducted from interest revenue)	-	-	41,732	-	<b>41,732</b>
Amounts written off	-	-	(6,869)	-	<b>(6,869)</b>
Foreign exchange adjustments	(19)	(15)	(2,944)	-	<b>(2,978)</b>
<b>At 31 December 2025</b>	<b>38,928</b>	<b>23,281</b>	<b>414,494</b>	<b>2,008</b>	<b>478,711</b>

An analysis of changes in the gross carrying value and corresponding ECL in relation to credit cards during the year ended 31 December 2025 is as follows:

<b>Credit cards</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2025</b>	<b>13,447,959</b>	<b>146,433</b>	<b>579,350</b>	<b>14,173,742</b>
New assets originated or purchased	5,381,936	-	-	<b>5,381,936</b>
Assets repaid	(2,894,267)	(22,539)	(236,024)	<b>(3,152,830)</b>
Transfers to Stage 1	17,097	(15,904)	(1,193)	-
Transfers to Stage 2	(129,698)	129,698	-	-
Transfers to Stage 3	(661,521)	(52,016)	713,537	-
Amounts written off	-	-	(104,157)	<b>(104,157)</b>
Foreign exchange adjustments	(5,648)	1,092	516	<b>(4,040)</b>
<b>At 31 December 2025</b>	<b>15,155,858</b>	<b>186,764</b>	<b>952,029</b>	<b>16,294,651</b>

<b>Credit cards</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2025</b>	<b>63,509</b>	<b>8,652</b>	<b>226,551</b>	<b>298,712</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	163,273	-	-	<b>163,273</b>
Assets repaid	(9,040)	(1,755)	(31,800)	<b>(42,595)</b>
Transfers to Stage 1	999	(999)	-	-
Transfers to Stage 2	(5,236)	5,236	-	-
Transfers to Stage 3	(143,677)	(4,590)	148,267	-
Impact on period end ECL of exposures transferred between stages during the period	(272)	6,315	153,019	<b>159,062</b>
Changes to models and inputs used for ECL calculations	14,654	(625)	(6,731)	<b>7,298</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>20,701</b>	<b>3,582</b>	<b>262,755</b>	<b>287,038</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	33,364	<b>33,364</b>
Amounts written off	-	-	(104,157)	<b>(104,157)</b>
Foreign exchange adjustments	79	12	50	<b>141</b>
<b>At 31 December 2025</b>	<b>84,289</b>	<b>12,246</b>	<b>418,563</b>	<b>515,098</b>

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An analysis of changes in the gross carrying value and corresponding ECL in relation to corporate lending during the year ended 31 December 2024 is as follows:

<b>Loans to large corporate customers</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>70,765,199</b>	<b>188,866</b>	<b>3,700,603</b>	-	<b>74,654,668</b>
New assets originated or purchased	70,459,102	-	-	-	70,459,102
Assets repaid	(22,966,974)	(188,866)	(2,861,323)	-	(26,017,163)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	(2,802,124)	-	2,802,124	-	-
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	(987,452)	-	(46,993)	-	(1,034,445)
<b>At 31 December 2024</b>	<b>114,467,751</b>	-	<b>3,594,411</b>	-	<b>118,062,162</b>

<b>Loans to large corporate customers</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>ECL as at 1 January 2024</b>	<b>155,769</b>	<b>651</b>	<b>233,859</b>	-	<b>390,279</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>					
New assets originated or purchased	548,378	-	-	-	548,378
Assets repaid	(37,106)	(651)	(9,840)	-	(47,597)
Transfers to Stage 1	-	-	-	-	-
Transfers to Stage 2	-	-	-	-	-
Transfers to Stage 3	(449,623)	-	449,623	-	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	846,106	-	846,106
Changes to models and inputs used for ECL calculations	(43,155)	-	(131,218)	-	(174,373)
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>18,494</b>	<b>(651)</b>	<b>1,154,671</b>	-	<b>1,172,514</b>

<b>Movements without impact on credit loss allowance charge for the period:</b>					
Unwinding of discount (deducted from interest revenue)	-	-	72,117	-	72,117
Amounts written off	-	-	-	-	-
Foreign exchange adjustments	(1,473)	-	(14,388)	-	(15,861)
<b>At 31 December 2024</b>	<b>172,790</b>	-	<b>1,446,259</b>	-	<b>1,619,049</b>

<b>Loans to small and medium-sized companies</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>109,450,720</b>	<b>3,613,429</b>	<b>1,800,324</b>	<b>114,864,473</b>
New assets originated or purchased	55,773,710	-	-	55,773,710
Assets repaid	(61,254,526)	(2,198,527)	(1,199,435)	(64,652,488)
Transfers to Stage 1	55,014	(55,014)	-	-
Transfers to Stage 2	(2,042,509)	2,042,509	-	-
Transfers to Stage 3	(991,409)	(213,592)	1,205,001	-
Amounts written off	-	-	(372,185)	(372,185)
Foreign exchange adjustments	(551,616)	(27,873)	(13,793)	(593,282)
<b>At 31 December 2024</b>	<b>100,439,384</b>	<b>3,160,932</b>	<b>1,419,912</b>	<b>105,020,228</b>

<b>Loans to small and medium-sized companies</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2024</b>	<b>240,506</b>	<b>51,577</b>	<b>528,113</b>	<b>820,196</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	207,448	-	-	<b>207,448</b>
Assets repaid	(107,529)	(19,314)	(189,888)	<b>(316,731)</b>
Transfers to Stage 1	5,799	(5,799)	-	-
Transfers to Stage 2	(20,717)	20,717	-	-
Transfers to Stage 3	(104,885)	(6,313)	111,198	-
Impact on period end ECL of exposures transferred between stages during the period	(5,733)	17,913	318,232	<b>330,412</b>
Changes to models and inputs used for ECL calculations	(58,364)	(11,429)	(65,137)	<b>(134,930)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(83,981)</b>	<b>(4,225)</b>	<b>174,405</b>	<b>86,199</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	33,146	<b>33,146</b>
Amounts written off	-	-	(372,185)	<b>(372,185)</b>
Foreign exchange adjustments	(822)	(243)	(4,651)	<b>(5,716)</b>
<b>At 31 December 2024</b>	<b>155,703</b>	<b>47,109</b>	<b>358,828</b>	<b>561,640</b>

An analysis of changes in the gross carrying value and corresponding ECL in relation to agricultural loans during the year ended 31 December 2024 is as follows:

<b>Agricultural loans to retail customers</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>67,932,163</b>	<b>938,262</b>	<b>2,177,539</b>	<b>71,047,964</b>
New assets originated or purchased	36,160,627	-	-	<b>36,160,627</b>
Assets repaid	(35,504,088)	(508,241)	(750,752)	<b>(36,763,081)</b>
Transfers to Stage 1	13,271	(13,271)	-	-
Transfers to Stage 2	(569,606)	569,606	-	-
Transfers to Stage 3	(1,278,845)	(143,530)	1,422,375	-
Amounts written off	-	-	(936,896)	<b>(936,896)</b>
Foreign exchange adjustments	(14,051)	(731)	(1,911)	<b>(16,693)</b>
<b>At 31 December 2024</b>	<b>66,739,471</b>	<b>842,095</b>	<b>1,910,355</b>	<b>69,491,921</b>

<b>Agricultural loans to retail customers</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2024</b>	<b>136,977</b>	<b>11,893</b>	<b>590,422</b>	<b>739,292</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	263,264	-	-	<b>263,264</b>
Assets repaid	(27,774)	(1,284)	(85,558)	<b>(114,616)</b>
Transfers to Stage 1	460	(460)	-	-
Transfers to Stage 2	(4,288)	4,288	-	-
Transfers to Stage 3	(200,359)	(6,133)	206,492	-
Impact on period end ECL of exposures transferred between stages during the period	(434)	3,868	655,345	<b>658,779</b>
Changes to models and inputs used for ECL calculations	(37,228)	(2,436)	34,587	<b>(5,077)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(6,359)</b>	<b>(2,157)</b>	<b>810,866</b>	<b>802,350</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	63,242	<b>63,242</b>
Amounts written off	-	-	(936,896)	<b>(936,896)</b>
Foreign exchange adjustments	(85)	(6)	(472)	<b>(563)</b>
<b>At 31 December 2024</b>	<b>130,533</b>	<b>9,730</b>	<b>527,162</b>	<b>667,425</b>

<b>Agricultural loans to corporate customers</b>				
<i>In thousands of Armenian Drams</i>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>16,463,163</b>	<b>25,499</b>	<b>50,875</b>	<b>16,539,537</b>
New assets originated or purchased	1,517,500	-	-	<b>1,517,500</b>
Assets repaid	(1,279,112)	(4,516)	1,073	<b>(1,282,555)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(6,663)	6,663	-	-
Transfers to Stage 3	(8,875)	(25,499)	34,374	-
Amounts written off	-	-	(29,852)	<b>(29,852)</b>
Foreign exchange adjustments	(22,073)	-	(293)	<b>(22,366)</b>
<b>At 31 December 2024</b>	<b>16,663,940</b>	<b>2,147</b>	<b>56,177</b>	<b>16,722,264</b>

<b>Agricultural loans to corporate customers</b>				
<i>In thousands of Armenian Drams</i>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2024</b>	<b>19,856</b>	<b>2,695</b>	<b>9,327</b>	<b>31,878</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	3,632	-	-	<b>3,632</b>
Assets repaid	(352)	-	-	<b>(352)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(8)	8	-	-
Transfers to Stage 3	(1,807)	(2,695)	4,502	-
Impact on period end ECL of exposures transferred between stages during the period	-	201	17,544	<b>17,745</b>
Changes to models and inputs used for ECL calculations	8,514	-	5,368	<b>13,882</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>9,979</b>	<b>(2,486)</b>	<b>27,414</b>	<b>34,907</b>

Movements without impact on credit loss

allowance charge for the period:

Unwinding of discount (deducted from interest revenue)	-	-	1,105	<b>1,105</b>
Amounts written off	-	-	(29,852)	<b>(29,852)</b>
Foreign exchange adjustments	(27)	-	-	<b>(27)</b>
<b>At 31 December 2024</b>	<b>29,808</b>	<b>209</b>	<b>7,994</b>	<b>38,011</b>

An analysis of changes in the gross carrying value and corresponding ECL in relation to consumer loans during the year ended 31 December 2024 is as follows:

<b>Consumer loans</b>				
<i>In thousands of Armenian Drams</i>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>108,896,168</b>	<b>1,663,003</b>	<b>3,744,979</b>	<b>114,304,150</b>
New assets originated or purchased	85,226,245	-	-	<b>85,226,245</b>
Assets repaid	(58,775,825)	(749,367)	(3,242,683)	<b>(62,767,875)</b>
Transfers to Stage 1	41,150	(41,150)	-	-
Transfers to Stage 2	(1,203,026)	1,203,026	-	-
Transfers to Stage 3	(3,685,135)	(686,524)	4,371,659	-
Amounts written off	-	-	(918,609)	<b>(918,609)</b>
Foreign exchange adjustments	(1,405)	-	(271)	<b>(1,676)</b>
<b>At 31 December 2024</b>	<b>130,498,172</b>	<b>1,388,988</b>	<b>3,955,075</b>	<b>135,842,235</b>

**ACBA Federation CJSC**  
**Notes to Consolidated financial statements - 31 December 2025**

<b>Consumer loans</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2024</b>	<b>691,436</b>	<b>172,807</b>	<b>1,723,714</b>	<b>2,587,957</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	1,131,725	-	-	<b>1,131,725</b>
Assets repaid	(209,666)	(21,406)	(276,910)	<b>(507,982)</b>
Transfers to Stage 1	3,128	(3,128)	-	-
Transfers to Stage 2	(104,950)	104,950	-	-
Transfers to Stage 3	(553,291)	(134,300)	687,591	-
Impact on period end ECL of exposures transferred between stages during the period	(2,785)	78,711	1,364,876	<b>1,440,802</b>
Changes to models and inputs used for ECL calculations	(77,240)	(4,435)	(936,454)	<b>(1,018,129)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>186,921</b>	<b>20,392</b>	<b>839,103</b>	<b>1,046,416</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	181,342	<b>181,342</b>
Amounts written off	-	-	(918,609)	<b>(918,609)</b>
Foreign exchange adjustments	(2)	-	(115)	<b>(117)</b>
<b>At 31 December 2024</b>	<b>878,355</b>	<b>193,199</b>	<b>1,825,435</b>	<b>2,896,989</b>

An analysis of changes in the gross carrying value and corresponding ECL in relation to mortgage loans during the year ended 31 December 2024 is as follows:

<b>Mortgage loans</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>52,562,544</b>	<b>588,095</b>	<b>1,079,312</b>	<b>29,681</b>	<b>54,259,632</b>
New assets originated or purchased	34,114,940	-	-	-	<b>34,114,940</b>
Assets repaid	(6,663,368)	(109,991)	(66,045)	(10,593)	<b>(6,849,997)</b>
Transfers to Stage 1	17,244	(17,244)	-	-	-
Transfers to Stage 2	(280,874)	280,874	-	-	-
Transfers to Stage 3	(561,432)	-	561,432	-	-
Amounts written off	-	-	(303,323)	-	<b>(303,323)</b>
Foreign exchange adjustments	(57,928)	(3,166)	(5,018)	(308)	<b>(66,420)</b>
<b>At 31 December 2024</b>	<b>79,131,126</b>	<b>738,568</b>	<b>1,266,358</b>	<b>18,780</b>	<b>81,154,832</b>

<b>Mortgage loans</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
<b>ECL as at 1 January 2024</b>	<b>121,066</b>	<b>10,485</b>	<b>310,509</b>	<b>-</b>	<b>442,060</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>					
New assets originated or purchased	87,730	-	-	-	<b>87,730</b>
Assets repaid	(7,438)	(1,196)	(23,238)	-	<b>(31,872)</b>
Transfers to Stage 1	279	(279)	-	-	-
Transfers to Stage 2	(1,653)	1,653	-	-	-
Transfers to Stage 3	(65,430)	-	65,430	-	-
Impact on period end ECL of exposures transferred between stages during the period	(269)	5,613	211,273	-	<b>216,617</b>
Changes to models and inputs used for ECL calculations	(72,600)	(4,510)	35,340	-	<b>(41,770)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(59,381)</b>	<b>1,281</b>	<b>288,805</b>	<b>-</b>	<b>230,705</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>					
Unwinding of discount (deducted from interest revenue)	-	-	34,386	-	<b>34,386</b>
Amounts written off	-	-	(303,323)	-	<b>(303,323)</b>
Foreign exchange adjustments	(43)	(25)	(1,673)	-	<b>(1,741)</b>
<b>At 31 December 2024</b>	<b>61,642</b>	<b>11,741</b>	<b>328,704</b>	<b>-</b>	<b>402,087</b>

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An analysis of changes in the gross carrying value and corresponding ECL in relation to credit cards during the year ended 31 December 2024 is as follows:

<b>Credit cards</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>11,798,257</b>	<b>174,145</b>	<b>550,505</b>	<b>12,522,907</b>
New assets originated or purchased	4,593,612	-	-	<b>4,593,612</b>
Assets repaid	(2,525,737)	(60,447)	(129,258)	<b>(2,715,442)</b>
Transfers to Stage 1	17,415	(16,541)	(874)	-
Transfers to Stage 2	(109,144)	109,144	-	-
Transfers to Stage 3	(257,976)	(59,525)	317,501	-
Amounts written off	-	-	(156,048)	<b>(156,048)</b>
Foreign exchange adjustments	(68,468)	(343)	(2,476)	<b>(71,287)</b>
<b>At 31 December 2024</b>	<b>13,447,959</b>	<b>146,433</b>	<b>579,350</b>	<b>14,173,742</b>

<b>Credit cards</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2024</b>	<b>49,064</b>	<b>8,521</b>	<b>195,995</b>	<b>253,580</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	42,263	-	-	<b>42,263</b>
Assets repaid	(8,244)	(797)	(13,862)	<b>(22,903)</b>
Transfers to Stage 1	324	(324)	-	-
Transfers to Stage 2	(1,781)	1,781	-	-
Transfers to Stage 3	(25,548)	(6,207)	31,755	-
Impact on period end ECL of exposures transferred between stages during the period	(267)	6,165	166,156	<b>172,054</b>
Changes to models and inputs used for ECL calculations	8,000	(463)	(25,635)	<b>(18,098)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>14,747</b>	<b>155</b>	<b>158,414</b>	<b>173,316</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (deducted from interest revenue)	-	-	29,291	<b>29,291</b>
Amounts written off	-	-	(156,048)	<b>(156,048)</b>
Foreign exchange adjustments	(302)	(24)	(1,101)	<b>(1,427)</b>
<b>At 31 December 2024</b>	<b>63,509</b>	<b>8,652</b>	<b>226,551</b>	<b>298,712</b>

**Credit quality of loans by overdue days.** The following table provides information on the credit quality of loans to customer as at 31 December 2025.

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to small and medium size companies</b>				
not overdue	95,184,814	2,789,440	1,020,251	<b>98,994,505</b>
overdue less than 30 days	398,506	23,893	66,977	<b>489,376</b>
overdue 30-90 days	-	213,830	28,266	<b>242,096</b>
overdue more than 90 days	-	-	891,449	<b>891,449</b>
<b>Total gross loans to small and medium size companies</b>	<b>95,583,320</b>	<b>3,027,163</b>	<b>2,006,943</b>	<b>100,617,426</b>
Expected credit loss allowance	(111,380)	(39,645)	(490,884)	<b>(641,909)</b>
<b>Total net loans to small and medium size companies</b>	<b>95,471,940</b>	<b>2,987,518</b>	<b>1,516,059</b>	<b>99,975,517</b>
<b>Loans to large corporate customers</b>				
not overdue	155,436,889	-	1,139,435	<b>156,576,324</b>
overdue less than 30 days	-	-	193,390	<b>193,390</b>
overdue 30-90 days	-	-	1,820,591	<b>1,820,591</b>
overdue more than 90 days	-	-	2,235,003	<b>2,235,003</b>
<b>Total gross loans to large corporate customers</b>	<b>155,436,889</b>	<b>-</b>	<b>5,388,419</b>	<b>160,825,308</b>
Expected credit loss allowance	(167,035)	-	(2,375,619)	<b>(2,542,654)</b>
<b>Total net loans to large corporate customers</b>	<b>155,269,854</b>	<b>-</b>	<b>3,012,800</b>	<b>158,282,654</b>
<b>Total loans to corporate customers</b>	<b>250,741,794</b>	<b>2,987,518</b>	<b>4,528,859</b>	<b>258,258,171</b>

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<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Consumer loans</b>				
not overdue	162,493,870	939,912	2,097,963	<b>165,531,745</b>
overdue less than 30 days	922,338	208,651	244,082	<b>1,375,071</b>
overdue 30-90 days	-	692,291	229,849	<b>922,140</b>
overdue more than 90 days	-	-	3,005,538	<b>3,005,538</b>
<b>Total gross consumer loans</b>	<b>163,416,208</b>	<b>1,840,854</b>	<b>5,577,432</b>	<b>170,834,494</b>
Expected credit loss allowance	(1,558,277)	(396,579)	(3,499,242)	<b>(5,454,098)</b>
<b>Total net consumer loans</b>	<b>161,857,931</b>	<b>1,444,275</b>	<b>2,078,190</b>	<b>165,380,396</b>
<i>In thousands of Armenian Drams</i>				
<b>Mortgage loans</b>				
not overdue	95,788,949	666,620	1,455,369	<b>97,910,938</b>
overdue less than 30 days	69,511	-	84,606	<b>154,117</b>
overdue 30-90 days	-	349,248	-	<b>349,248</b>
overdue more than 90 days	-	-	59,095	<b>59,095</b>
<b>Total gross mortgage loans</b>	<b>95,858,460</b>	<b>1,015,868</b>	<b>1,599,070</b>	<b>98,473,398</b>
Expected credit loss allowance	(38,928)	(23,281)	(416,502)	<b>(478,711)</b>
<b>Total net mortgage loans</b>	<b>95,819,532</b>	<b>992,587</b>	<b>1,182,568</b>	<b>97,994,687</b>
<i>In thousands of Armenian Drams</i>				
<b>Credit cards</b>				
not overdue	15,083,026	146,617	740,291	<b>15,969,934</b>
overdue less than 30 days	72,831	2,595	28,776	<b>104,202</b>
overdue 30-90 days	-	37,552	38,339	<b>75,891</b>
overdue more than 90 days	1	-	144,623	<b>144,624</b>
<b>Total gross credit cards</b>	<b>15,155,858</b>	<b>186,764</b>	<b>952,029</b>	<b>16,294,651</b>
Expected credit loss allowance	(84,289)	(12,246)	(418,563)	<b>(515,098)</b>
<b>Total net credit cards</b>	<b>15,071,569</b>	<b>174,518</b>	<b>533,466</b>	<b>15,779,553</b>
<i>In thousands of Armenian Drams</i>				
<b>Agricultural loans to retail customers</b>				
not overdue	67,926,932	719,266	1,495,058	<b>70,141,256</b>
overdue less than 30 days	44,546	18,781	40,994	<b>104,321</b>
overdue 30-90 days	-	45,377	34,103	<b>79,480</b>
overdue more than 90 days	-	-	268,192	<b>268,192</b>
<b>Total gross agricultural loans to retail customers</b>	<b>67,971,478</b>	<b>783,424</b>	<b>1,838,347</b>	<b>70,593,249</b>
Expected credit loss allowance	(84,251)	(8,997)	(544,955)	<b>(638,203)</b>
<b>Total net agricultural loans to retail customers</b>	<b>67,887,227</b>	<b>774,427</b>	<b>1,293,392</b>	<b>69,955,046</b>
<i>In thousands of Armenian Drams</i>				
<b>Agricultural loans to corporate customers</b>				
not overdue	20,152,806	-	64,624	<b>20,217,430</b>
overdue less than 30 days	-	-	44,743	<b>44,743</b>
overdue 30-90 days	-	-	81,589	<b>81,589</b>
overdue more than 90 days	-	-	43,667	<b>43,667</b>
<b>Total gross agricultural loans to corporate customers</b>	<b>20,152,806</b>	<b>-</b>	<b>234,623</b>	<b>20,387,429</b>
Expected credit loss allowance	(15,243)	-	(57,002)	<b>(72,245)</b>
<b>Total net agricultural loans to corporate customers</b>	<b>20,137,563</b>	<b>-</b>	<b>177,621</b>	<b>20,315,184</b>
<b>Total agricultural loans to customers</b>	<b>88,024,790</b>	<b>774,427</b>	<b>1,471,013</b>	<b>90,270,230</b>
<b>Gross loans to customers</b>	<b>613,575,019</b>	<b>6,854,073</b>	<b>17,596,863</b>	<b>638,025,955</b>
Expected credit loss allowance	(2,059,403)	(480,748)	(7,802,767)	<b>(10,342,918)</b>
<b>Net loans to customers at amortised cost</b>	<b>611,515,616</b>	<b>6,373,325</b>	<b>9,794,096</b>	<b>627,683,037</b>

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The following table provides information on the credit quality of loans by overdue days to as at 31 December 2024.

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to small and medium size companies</b>				
not overdue	100,113,230	2,954,552	776,680	<b>103,844,462</b>
overdue less than 30 days	326,154	76,095	38,794	<b>441,043</b>
overdue 30-90 days	-	130,285	82,064	<b>212,349</b>
overdue more than 90 days	-	-	522,374	<b>522,374</b>
<b>Total gross loans to small and medium size companies</b>	<b>100,439,384</b>	<b>3,160,932</b>	<b>1,419,912</b>	<b>105,020,228</b>
Expected credit loss allowance	(155,703)	(47,109)	(358,828)	<b>(561,640)</b>
<b>Total net loans to small and medium size companies</b>	<b>100,283,681</b>	<b>3,113,823</b>	<b>1,061,084</b>	<b>104,458,588</b>

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Loans to large corporate customers</b>				
not overdue	114,355,516	-	1,072,689	<b>115,428,205</b>
overdue less than 30 days	112,235	-	93,842	<b>206,077</b>
overdue 30-90 days	-	-	1,921,767	<b>1,921,767</b>
overdue more than 90 days	-	-	506,113	<b>506,113</b>
<b>Total gross loans to large corporate customers</b>	<b>114,467,751</b>	<b>-</b>	<b>3,594,411</b>	<b>118,062,162</b>
Expected credit loss allowance	(172,790)	-	(1,446,259)	<b>(1,619,049)</b>
<b>Total net loans to large corporate customers</b>	<b>114,294,961</b>	<b>-</b>	<b>2,148,152</b>	<b>116,443,113</b>
<b>Total loans to corporate customers</b>	<b>214,578,642</b>	<b>3,113,823</b>	<b>3,209,236</b>	<b>220,901,701</b>

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Consumer loans</b>				
not overdue	129,838,576	898,217	1,805,872	<b>132,542,665</b>
overdue less than 30 days	659,596	95,964	201,674	<b>957,234</b>
overdue 30-90 days	-	394,807	163,255	<b>558,062</b>
overdue more than 90 days	-	-	1,784,274	<b>1,784,274</b>
<b>Total gross consumer loans</b>	<b>130,498,172</b>	<b>1,388,988</b>	<b>3,955,075</b>	<b>135,842,235</b>
Expected credit loss allowance	(878,355)	(193,199)	(1,825,435)	<b>(2,896,989)</b>
<b>Total net consumer loans</b>	<b>129,619,817</b>	<b>1,195,789</b>	<b>2,129,640</b>	<b>132,945,246</b>

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Mortgage loans</b>				
not overdue	79,088,802	656,233	1,066,902	<b>80,811,937</b>
overdue less than 30 days	42,324	22,003	89,328	<b>153,655</b>
overdue 30-90 days	-	60,332	35,740	<b>96,072</b>
overdue more than 90 days	-	-	93,168	<b>93,168</b>
<b>Total gross mortgage loans</b>	<b>79,131,126</b>	<b>738,568</b>	<b>1,285,138</b>	<b>81,154,832</b>
Expected credit loss allowance	(61,642)	(11,741)	(328,704)	<b>(402,087)</b>
<b>Total net mortgage loans</b>	<b>79,069,484</b>	<b>726,827</b>	<b>956,434</b>	<b>80,752,745</b>

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Credit cards</b>				
not overdue	13,336,879	104,296	438,000	<b>13,879,175</b>
overdue less than 30 days	111,078	26,062	37,746	<b>174,886</b>
overdue 30-90 days	1	16,075	12,709	<b>28,785</b>
overdue more than 90 days	1	-	90,895	<b>90,896</b>
<b>Total gross credit cards</b>	<b>13,447,959</b>	<b>146,433</b>	<b>579,350</b>	<b>14,173,742</b>
Expected credit loss allowance	(63,509)	(8,652)	(226,551)	<b>(298,712)</b>
<b>Total net credit cards</b>	<b>13,384,450</b>	<b>137,781</b>	<b>352,799</b>	<b>13,875,030</b>

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<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Agricultural loans to retail customers</b>				
not overdue	66,708,450	802,921	1,499,409	<b>69,010,780</b>
overdue less than 30 days	31,021	11,275	31,477	<b>73,773</b>
overdue 30-90 days	-	27,899	43,760	<b>71,659</b>
overdue more than 90 days	-	-	335,709	<b>335,709</b>
<b>Total gross agricultural loans to retail customers</b>	<b>66,739,471</b>	<b>842,095</b>	<b>1,910,355</b>	<b>69,491,921</b>
Expected credit loss allowance	(130,533)	(9,730)	(527,162)	<b>(667,425)</b>
<b>Total net agricultural loans to retail customers</b>	<b>66,608,938</b>	<b>832,365</b>	<b>1,383,193</b>	<b>68,824,496</b>
<i>In thousands of Armenian Drams</i>				
<b>Agricultural loans to corporate customers</b>				
not overdue	16,495,593	-	22,101	<b>16,517,694</b>
overdue less than 30 days	168,347	-	5,658	<b>174,005</b>
overdue 30-90 days	-	2,147	-	<b>2,147</b>
overdue more than 90 days	-	-	28,418	<b>28,418</b>
<b>Total gross agricultural loans to corporate customers</b>	<b>16,663,940</b>	<b>2,147</b>	<b>56,177</b>	<b>16,722,264</b>
Expected credit loss allowance	(29,808)	(209)	(7,994)	<b>(38,011)</b>
<b>Total net agricultural loans to corporate customers</b>	<b>16,634,132</b>	<b>1,938</b>	<b>48,183</b>	<b>16,684,253</b>
<b>Total agricultural loans to customers</b>	<b>83,243,070</b>	<b>834,303</b>	<b>1,431,376</b>	<b>85,508,749</b>
<b>Gross loans to customers</b>	<b>521,387,803</b>	<b>6,279,163</b>	<b>12,800,418</b>	<b>540,467,384</b>
Expected credit loss allowance	(1,492,340)	(270,640)	(4,720,933)	<b>(6,483,913)</b>
<b>Net loans to customers at amortised cost</b>	<b>519,895,463</b>	<b>6,008,523</b>	<b>8,079,485</b>	<b>533,983,471</b>

**Collateral and other credit enhancements.** The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- Securities lending and reverse repurchase transactions: cash or securities.
- Commercial lending: primarily real estate properties, movable properties, production machinery, inventory, trade receivables and guarantees.
- Retail lending: primarily mortgages over residential properties, movable properties, and guarantees.
- Credit cards: primarily real estate and movable properties and guarantees.

The Group may also obtain guarantees from customer parent companies for loans provided to their subsidiaries during customer lending process.

Management monitors the market value of collateral and may request additional collateral in accordance with the underlying agreement during its review of the adequacy of the allowance for loan impairment.

The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior period.

Description of collateral held for loans to customers is as follows as at 31 December 2025 and 31 December 2024:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Real Estate	359,368,090	302,964,438
Guarantees	51,698,266	73,907,200
Working capital/Goods (finished products, goods in circulation, livestock)	30,127,393	23,341,018
Movables	12,472,803	10,599,263
Cash	7,008,472	5,823,611
Securities	6,176,131	7,616,832
Agricultural equipment	4,849,623	400,098
Other	1,864,525	162,258
Movables (personal property, equipment)	412	1,159
Without Collateral	164,460,240	115,651,506
<b>Total gross loan portfolio</b>	<b>638,025,955</b>	<b>540,467,384</b>

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The extent to which collateral and other credit enhancements mitigate credit risk for financial assets carried at amortised cost that are credit impaired, is presented by disclosing collateral values separately for (i) those assets where collateral and other credit enhancements are equal to or exceed carrying value of the asset (“over-collateralised assets”) and (ii) those assets where collateral and other credit enhancements are less than the carrying value of the asset (“under-collateralised assets”).

The effect of collateral on credit impaired assets at 31 December 2025 and 31 December 2024 is as follows.

2025 <i>In thousands of Armenian Drams</i>	Over-collateralised assets		Under-collateralised Assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
<b>Credit impaired assets:</b>				
Loans to corporate customers				
Loans to small and medium size companies	1,511,041	5,855,606	495,903	14,000
Loans to large corporate customers	5,303,621	9,389,428	84,797	9,500
<b>Loans to retail customers (other than agricultural and corporate loans)</b>				
Consumer loans	713,919	2,314,380	4,863,513	214,832
Mortgage loans	1,452,406	2,928,258	143,500	10,100
Credit cards	235,277	669,197	716,750	-
<b>Agricultural loans to customers</b>				
Agricultural loans retail	705,460	4,260,360	1,132,887	-
Agricultural loans corporate	232,989	461,294	1,634	-
<b>Total</b>	<b>10,154,713</b>	<b>25,878,523</b>	<b>7,438,984</b>	<b>248,432</b>

2024 <i>In thousands of Armenian Drams</i>	Over-collateralised assets		Under-collateralised Assets	
	Carrying value of the assets	Value of collateral	Carrying value of the assets	Value of collateral
<b>Credit impaired assets:</b>				
Loans to corporate customers				
Loans to small and medium size companies	1,095,555	5,458,096	324,357	-
Loans to large corporate customers	3,544,704	10,028,351	49,707	11,600
<b>Loans to retail customers (other than agricultural and corporate loans)</b>				
Consumer loans	676,988	4,002,522	3,278,086	76,110
Mortgage loans	1,197,949	2,658,839	68,408	4,100
Credit cards	63,044	387,747	516,304	-
<b>Agricultural loans to customers</b>				
Agricultural loans retail	744,557	5,950,620	1,165,797	-
Agricultural loans corporate	52,759	151,687	3,418	-
<b>Total</b>	<b>7,375,556</b>	<b>28,637,862</b>	<b>5,406,077</b>	<b>91,810</b>

In absence of collateral or other credit enhancements, ECL for individually impairment in respect of Stage 3 loans to customers as at 31 December 2025 and 2024 would have been higher by:

<i>In thousands of Armenian Drams</i>	2025	2024
Corporate lending	2,923,856	2,029,895
Mortgage loans	1,155	18,781
<b>Total</b>	<b>2,925,011</b>	<b>2,048,676</b>

**Assets under lien.** As at 31 December 2025, loans to customers with a gross value of AMD 18,220,501 thousand (2024: AMD 22,323,285 thousand) serve as collateral for other borrowed funds (see Note 20).

**Reposessed collateral.** During the year, the Group took possession of collateral with an estimated value of AMD 306,290 thousand (2024: AMD 385,409 thousand), which the Group is in the process of selling. It is the Group's policy to dispose of reposessed properties in an orderly fashion. In general, the Group does not occupy reposessed properties for business use.

**Concentration of loans to customers.** As at 31 December 2025, the Group had a concentration of loans represented by AMD 61,161,792 thousand due from the ten largest third-party borrowers (9.5% of gross loan portfolio) (2024: AMD 59,660,205 thousand or 11.0%). An allowance of AMD 66,765 thousand (2024: AMD 87,788 thousand) was recognised against these loans.

**Concentration of loans by sectors.** Loans are made principally within Armenia in the following industry sectors:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Individuals	356,195,792	300,662,733
Food and beverage	94,866,704	51,317,852
Construction	49,762,044	52,175,334
Trade	49,199,042	44,775,458
Agriculture	34,201,007	22,531,896
Manufacturing	17,499,474	17,297,308
Financial sector	12,693,588	10,201,550
Energy	12,666,320	8,789,291
Transportation	9,468,430	7,470,360
Other	1,473,554	25,245,602
Impairment allowance	(10,342,918)	(6,483,913)
<b>Net loans to customers at amortised cost</b>	<b>627,683,037</b>	<b>533,983,471</b>

## 12 Receivables from finance leases

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Finance leases to corporate customers	96,551,518	88,131,067
Finance leases to retail customers	7,145,659	5,735,740
<b>Net investments in finance leases</b>	<b>103,697,177</b>	<b>93,866,807</b>
Impairment allowance	(555,350)	(760,986)
<b>Net investments in finance leases, less impairment allowance</b>	<b>103,141,827</b>	<b>93,105,821</b>

The Group provided leases to individuals, small and medium-sized enterprises operating in various sectors of the economy in acquiring equipment and production resources.

In the amount of finance lease receivables as at 31 December 2025 the amount of equipment on the way, purchased in the scope of finance lease agreements is AMD 177,022 thousand, (2024: AMD 51,826 thousand).

An analysis of changes in the gross carrying value and corresponding ECL in relation to receivables from finance lease during the year ended 31 December 2025 is as follows:

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2025</b>	<b>92,347,246</b>	<b>677,654</b>	<b>841,907</b>	<b>93,866,807</b>
New assets originated or purchased	49,636,662	-	-	<b>49,636,662</b>
Assets repaid	(39,051,403)	(355,616)	(625,781)	<b>(40,032,800)</b>
Transfers to Stage 1	501,008	(501,008)	-	-
Transfers to Stage 2	(1,098,778)	1,098,778	-	-
Transfers to Stage 3	(704,367)	(138,986)	843,353	-
Foreign exchange adjustments	282,806	(2,505)	20,334	<b>300,635</b>
Write-off	-	-	(74,127)	<b>(74,127)</b>
<b>At 31 December 2025</b>	<b>101,913,174</b>	<b>778,317</b>	<b>1,005,686</b>	<b>103,697,177</b>

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<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2025</b>	<b>331,573</b>	<b>23,267</b>	<b>406,146</b>	<b>760,986</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	89,108	-	-	<b>89,108</b>
Assets repaid	(26,762)	(384)	(145,984)	<b>(173,130)</b>
Transfers to Stage 1	10,215	(10,215)	-	-
Transfers to Stage 2	(4,721)	4,721	-	-
Transfers to Stage 3	(9,308)	(12,135)	21,443	-
Impact on period end ECL of exposures transferred between stages during the period	(9,665)	8,108	192,820	<b>191,263</b>
Changes to models and inputs used for ECL calculations	(199,812)	(375)	(80,645)	<b>(280,832)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(150,945)</b>	<b>(10,280)</b>	<b>(12,366)</b>	<b>(173,591)</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (recognised in interest revenue)	-	-	34,887	<b>34,887</b>
Write-off	-	-	(74,127)	<b>(74,127)</b>
Foreign exchange adjustments	472	(17)	6,740	<b>7,195</b>
<b>At 31 December 2025</b>	<b>181,100</b>	<b>12,970</b>	<b>361,280</b>	<b>555,350</b>

An analysis of changes in the gross carrying value and corresponding ECL in relation to receivables from finance lease during the year ended 31 December 2024 is as follows:

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>83,119,652</b>	<b>212,056</b>	<b>851,063</b>	<b>84,182,771</b>
New assets originated or purchased	40,352,948	-	-	<b>40,352,948</b>
Assets repaid	(28,892,956)	(205,487)	(732,202)	<b>(29,830,645)</b>
Transfers to Stage 1	64,125	(64,125)	-	-
Transfers to Stage 2	(810,644)	810,644	-	-
Transfers to Stage 3	(661,797)	(69,791)	731,588	-
Foreign exchange adjustments	(824,082)	(5,643)	(6,840)	<b>(836,565)</b>
Write-off	-	-	(1,702)	<b>(1,702)</b>
<b>At 31 December 2024</b>	<b>92,347,246</b>	<b>677,654</b>	<b>841,907</b>	<b>93,866,807</b>

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2024</b>	<b>350,131</b>	<b>5,793</b>	<b>420,421</b>	<b>776,345</b>
<b>Movements with impact on credit loss allowance charge for the period:</b>				
New assets originated or purchased	158,983	-	-	<b>158,983</b>
Assets repaid	(19,634)	(1,395)	(49,933)	<b>(70,962)</b>
Transfers to Stage 1	1,397	(1,397)	-	-
Transfers to Stage 2	(9,662)	9,662	-	-
Transfers to Stage 3	(17,438)	(2,529)	19,967	-
Impact on period end ECL of exposures transferred between stages during the period	(1,260)	14,061	177,650	<b>190,451</b>
Changes to models and inputs used for ECL calculations	(128,099)	(194)	(191,114)	<b>(319,407)</b>
<b>Total movements with impact on credit loss allowance charge for the period</b>	<b>(15,713)</b>	<b>18,208</b>	<b>(43,430)</b>	<b>(40,935)</b>
<b>Movements without impact on credit loss allowance charge for the period:</b>				
Unwinding of discount (recognised in interest revenue)	-	-	34,775	<b>34,775</b>
Write-off	-	-	(1,702)	<b>(1,702)</b>
Foreign exchange adjustments	(2,845)	(734)	(3,918)	<b>(7,497)</b>
<b>At 31 December 2024</b>	<b>331,573</b>	<b>23,267</b>	<b>406,146</b>	<b>760,986</b>

**Quality of finance lease receivables.** The following table provides information on the credit quality of finance lease receivables at 31 December 2025.

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Finance lease to retail customers</b>				
not overdue	6,931,415	37,108	168,308	<b>7,136,831</b>
overdue less than 30 days	-	-	1,908	<b>1,908</b>
overdue 30-90 days	-	106	18	<b>124</b>
overdue more than 90 days	-	-	6,796	<b>6,796</b>
<b>Total gross leases to retail customers</b>	<b>6,931,415</b>	<b>37,214</b>	<b>177,030</b>	<b>7,145,659</b>
Expected credit loss allowance	(11,994)	(404)	(60,643)	<b>(73,041)</b>
<b>Total net leases to retail customers</b>	<b>6,919,421</b>	<b>36,810</b>	<b>116,387</b>	<b>7,072,618</b>
<b>Finance lease to corporate customers</b>				
not overdue	94,893,182	624,427	466,911	<b>95,984,520</b>
overdue less than 30 days	88,577	52,766	12,778	<b>154,121</b>
overdue 30-90 days	-	63,910	47,312	<b>111,222</b>
overdue more than 90 days	-	-	301,655	<b>301,655</b>
<b>Total gross leases to large corporate customers</b>	<b>94,981,759</b>	<b>741,103</b>	<b>828,656</b>	<b>96,551,518</b>
Expected credit loss allowance	(169,106)	(12,566)	(300,637)	<b>(482,309)</b>
<b>Total net leases to large corporate customers</b>	<b>94,812,653</b>	<b>728,537</b>	<b>528,019</b>	<b>96,069,209</b>
<b>Total lease portfolio</b>	<b>101,732,074</b>	<b>765,347</b>	<b>644,406</b>	<b>103,141,827</b>

The following table provides information on the credit quality of finance lease receivables at 31 December 2024.

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Finance lease to retail customers</b>				
not overdue	5,478,035	28,926	213,376	<b>5,720,337</b>
overdue less than 30 days	5,706	175	5,863	<b>11,744</b>
overdue 30-90 days	-	131	2,112	<b>2,243</b>
overdue more than 90 days	-	-	1,416	<b>1,416</b>
<b>Total gross leases to retail customers</b>	<b>5,483,741</b>	<b>29,232</b>	<b>222,767</b>	<b>5,735,740</b>
Expected credit loss allowance	(20,035)	(587)	(102,948)	<b>(123,570)</b>
<b>Total net leases to retail customers</b>	<b>5,463,706</b>	<b>28,645</b>	<b>119,819</b>	<b>5,612,170</b>
<b>Finance lease to corporate customers</b>				
not overdue	86,863,505	576,117	550,871	<b>87,990,493</b>
overdue less than 30 days	-	6,069	5,282	<b>11,351</b>
overdue 30-90 days	-	66,236	18,696	<b>84,932</b>
overdue more than 90 days	-	-	44,291	<b>44,291</b>
<b>Total gross leases to large corporate customers</b>	<b>86,863,505</b>	<b>648,422</b>	<b>619,140</b>	<b>88,131,067</b>
Expected credit loss allowance	(311,538)	(22,680)	(303,198)	<b>(637,416)</b>
<b>Total net leases to large corporate customers</b>	<b>86,551,967</b>	<b>625,742</b>	<b>315,942</b>	<b>87,493,651</b>
<b>Total lease portfolio</b>	<b>92,015,673</b>	<b>654,387</b>	<b>435,761</b>	<b>93,105,821</b>

**Assets under lien.** As at 31 December 2025, finance lease receivables with a gross value of AMD 29,592,232 thousand (2024: AMD 24,218,400 thousand) serve as collateral for other borrowed funds (see Note 20).

**Repossessed assets.** The carrying value of the assets repossessed during the period and held as at 31 December 2025 is AMD 81,753 thousand (2024: AMD 23,800 thousand).

**Concentration of finance leases by sectors.** Finance lease to corporate customers were issued primarily to customers located within the Republic of Armenia who operate in the following economic sectors:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Construction	20,602,177	23,566,077
Services	17,626,747	11,879,006
Food and beverages production	15,838,495	17,763,658
Manufacturing	12,678,316	12,681,271
Trade	10,245,738	9,003,744
Agriculture	9,380,527	7,574,666
Finance leases to retail customers	7,145,659	5,735,740
Hydropower plants	4,614,988	673,754
Transportation	4,126,468	4,262,379
Other	1,401,100	654,239
Manufacture of leather goods	36,962	72,273
Impairment allowance	(555,350)	(760,986)
<b>Net investments in finance leases</b>	<b>103,141,827</b>	<b>93,105,821</b>

The table below provides the maturity profile of gross and net investment in leases as of 31 December 2025:

<i>In thousands of Armenian Drams</i>	<b>Not later than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 3 years</b>	<b>Between 3 and 4 years</b>	<b>Between 4 and 5 years</b>	<b>Later than 5 years</b>	<b>Total</b>
Gross investment in finance leases	46,419,897	38,869,526	23,754,256	10,589,091	4,268,933	934,786	<b>124,836,489</b>
Unearned future finance income on finance leases	(10,528,689)	(6,145,439)	(2,930,214)	(1,099,576)	(320,573)	(114,821)	<b>(21,139,312)</b>
<b>Net investment in finance leases before allowance</b>	<b>35,891,208</b>	<b>32,724,087</b>	<b>20,824,042</b>	<b>9,489,515</b>	<b>3,948,360</b>	<b>819,965</b>	<b>103,697,177</b>

The table below provides the maturity profile of gross and net investment in leases as of 31 December 2024:

<i>In thousands of Armenian Drams</i>	<b>Not later than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 3 years</b>	<b>Between 3 and 4 years</b>	<b>Between 4 and 5 years</b>	<b>Later than 5 years</b>	<b>Total</b>
Gross investment in finance leases	40,241,823	37,383,004	23,230,265	9,173,305	2,818,528	431,559	<b>113,278,484</b>
Unearned future finance income on finance leases	(9,935,171)	(5,886,243)	(2,593,967)	(792,627)	(161,793)	(41,876)	<b>(19,411,677)</b>
<b>Net investment in finance leases before allowance</b>	<b>30,306,652</b>	<b>31,496,761</b>	<b>20,636,298</b>	<b>8,380,678</b>	<b>2,656,735</b>	<b>389,683</b>	<b>93,866,807</b>

### 13 Property, equipment, and intangible assets

The movements in property, equipment, right-of-use assets, and intangible assets were as follows:

<i>In thousands of Armenian Drams</i>	Land and buildings	Construction in progress	Leasehold improvements	Equipment	Fixtures and fittings	Motor vehicles	Software and licenses	Right-of-use assets	Total
<b>Cost/revalued amount</b>									
31 December 2024	14,620,597	6,090,261	1,491,240	13,650,510	4,023,870	625,457	9,325,073	6,282,550	56,109,558
Additions	29,531	5,847,499	620,959	2,014,695	452,647	159,055	1,356,671	935,153	11,416,210
Disposals and write-offs	(333,070)	-	-	(822,608)	(256,851)	(71,835)	(454,600)	(240,125)	(2,179,089)
Effect of revaluation in profit or loss	(288,682)	-	-	-	-	(3,895)	-	-	(292,577)
Effect of revaluation in OCI	2,361,802	-	-	-	-	(151,527)	-	-	2,210,275
Modification	-	-	-	-	-	-	-	47,460	47,460
<b>31 December 2025</b>	<b>16,390,178</b>	<b>11,937,760</b>	<b>2,112,199</b>	<b>14,842,597</b>	<b>4,219,666</b>	<b>557,255</b>	<b>10,227,144</b>	<b>7,025,038</b>	<b>67,311,837</b>
<b>Accumulated depreciation, amortisation and impairment</b>									
31 December 2024	395,901	-	684,654	6,851,548	2,453,795	144,746	4,577,442	2,567,509	17,675,595
Depreciation charge	230,195	-	81,087	991,338	219,813	94,534	1,012,528	1,082,846	3,712,341
Disposals and write-offs	(101,002)	-	-	(690,482)	(234,879)	(43,779)	(404,520)	(234,895)	(1,709,557)
Effect of revaluation	(483,836)	-	-	-	-	(183,976)	-	-	(667,812)
<b>31 December 2025</b>	<b>41,258</b>	<b>-</b>	<b>765,741</b>	<b>7,152,404</b>	<b>2,438,729</b>	<b>11,525</b>	<b>5,185,450</b>	<b>3,415,460</b>	<b>19,010,567</b>
<b>Net book value</b>									
<b>31 December 2025</b>	<b>16,348,920</b>	<b>11,937,760</b>	<b>1,346,458</b>	<b>7,690,193</b>	<b>1,780,937</b>	<b>545,730</b>	<b>5,041,694</b>	<b>3,609,578</b>	<b>48,301,270</b>

The Group engaged an independent valuer to determine the fair value of its land and buildings and motor vehicles. Fair value is determined by reference to market-based evidence. The date of the revaluation was 1 October 2025. More details about the fair value of buildings are disclosed in Note 34.

**Right-of-use assets.** The Group leases office premises, including its head office, branch offices and other spaces. Lease terms typically range from 5 to 10 years.

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*In thousands of Armenian Drams*

	Land and buildings	Construction in progress	Leasehold improvements	Equipment	Fixtures and fittings	Motor vehicles	Software and licenses	Right-of-use assets	Total
<b>Cost/revalued amount</b>									
<b>31 December 2023</b>	<b>14,817,195</b>	<b>1,576,578</b>	<b>1,360,402</b>	<b>11,360,054</b>	<b>3,606,918</b>	<b>644,657</b>	<b>8,568,163</b>	<b>5,074,712</b>	<b>47,008,679</b>
Additions	181,950	4,513,683	159,641	2,404,895	602,858	19,615	1,252,997	629,855	<b>9,765,494</b>
Disposals and write-offs	(378,548)	-	(28,803)	(114,439)	(185,906)	(39,915)	(496,087)	(809,394)	<b>(2,053,092)</b>
Modification	-	-	-	-	-	-	-	1,387,377	<b>1,387,377</b>
Effect of revaluation in OCI*	-	-	-	-	-	1,100	-	-	<b>1,100</b>
<b>31 December 2024</b>	<b>14,620,597</b>	<b>6,090,261</b>	<b>1,491,240</b>	<b>13,650,510</b>	<b>4,023,870</b>	<b>625,457</b>	<b>9,325,073</b>	<b>6,282,550</b>	<b>56,109,558</b>
<b>Accumulated depreciation, amortisation and impairment</b>									
<b>31 December 2023</b>	<b>251,885</b>	-	<b>540,802</b>	<b>5,864,914</b>	<b>2,307,221</b>	<b>75,080</b>	<b>3,764,360</b>	<b>2,292,758</b>	<b>15,097,020</b>
Depreciation charge	217,501	-	146,601	1,080,527	242,889	75,330	990,048	1,082,449	<b>3,835,345</b>
Disposals and write-offs	(73,485)	-	(2,749)	(93,893)	(96,315)	(4,251)	(176,966)	(807,698)	<b>(1,255,357)</b>
Effect of revaluation in OCI	-	-	-	-	-	(1,413)	-	-	<b>(1,413)</b>
<b>31 December 2024</b>	<b>395,901</b>	-	<b>684,654</b>	<b>6,851,548</b>	<b>2,453,795</b>	<b>144,746</b>	<b>4,577,442</b>	<b>2,567,509</b>	<b>17,675,595</b>
<b>Net book value</b>									
<b>31 December 2024</b>	<b>14,224,696</b>	<b>6,090,261</b>	<b>806,586</b>	<b>6,798,962</b>	<b>1,570,075</b>	<b>480,711</b>	<b>4,747,631</b>	<b>3,715,041</b>	<b>38,433,963</b>

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If the land, buildings, and motor vehicles were measured using the cost model, the carrying amounts would be as follows:

<i>In thousands of Armenian Drams</i>	2025			2024		
	Land	Buildings	Motor vehicles	Land	Buildings	Motor vehicles
Cost	1,466,233	8,805,752	864,016	1,466,233	8,474,382	756,706
Accumulated depreciation and impairment	-	3,017,500	531,248	-	2,588,081	486,956
<b>Net carrying amount</b>	<b>1,466,233</b>	<b>5,788,252</b>	<b>332,768</b>	<b>1,466,233</b>	<b>5,886,301</b>	<b>269,750</b>

#### 14 Taxation

The corporate income tax expense comprises:

<i>In thousands of Armenian Drams</i>	2025	2024
Current tax charge	8,472,629	6,624,264
Deferred tax charge/(credit)	668,075	(243,342)
<b>Income tax expense</b>	<b>9,140,704</b>	<b>6,380,922</b>

In 2025 the applicable tax rate for current and deferred tax is 18% (2024: 18%). The effective income tax rate differs from the statutory income tax rates. A reconciliation of the income tax expense based on statutory rates with actual is as follows:

<i>In thousands of Armenian Drams</i>	2025	2024
<b>Profit before income tax</b>	<b>43,113,063</b>	<b>34,797,260</b>
Statutory tax rate	18%	18%
<b>Theoretical income tax expense at the statutory rate</b>	<b>7,760,351</b>	<b>6,263,507</b>
Non-deductible expenses, net	1,380,353	117,416
<b>Income tax expense</b>	<b>9,140,704</b>	<b>6,380,922</b>
<b>Effective tax rate</b>	<b>21.2%</b>	<b>18.3%</b>

Non-deductible expenses, net consist of non - deductible expenses difference with the tax base in the amount of AMD 1,429,545 thousand (2024: AMD 267,410 thousand) and non-taxable income differences with the tax base in the amount of AMD 49,192 thousand (2024: AMD 149,994 thousand). Non-deductible expenses/income mainly relate to the gains/losses from revaluation of assets and liabilities, other benefits to employees, some representation expenses, some membership fees, reserve for contingent liabilities. etc. Deferred tax assets and liabilities as at 31 December and their movements for the respective years comprise:

<i>In thousands of Armenian Drams</i>	Balance 1 January 2024	Origination and reversal of temporary differences		Balance 31 December 2024	Origination and reversal of temporary differences		Balance 31 December 2025
		In the statement of profit or loss	In other compre- hensive income		In the statement of profit or loss	In other compre- hensive income	
<b>Deferred tax assets/ (liabilities)</b>							
Cash and cash equivalents	1,248	4,201		5,449	(1,350)		4,099
Derivative financial assets	(28,778)	15,684		(13,094)	10,210		(2,884)
Loans and advances to banks	(26,974)	20,739		(6,235)	(23,859)		(30,094)
Investment securities	(508,888)	(126,109)	(17,115)	(652,112)	64,541	(37,550)	(625,121)
Loans to customers	(509,395)	(28,015)		(537,410)	48,705		(488,705)
Finance lease receivable	38,004	32,749		70,753	(239,657)		(168,904)
Investments in associates	(266,213)	(31,164)		(297,377)	(98,801)	-	(396,178)
Property, equipment, intangible and right-of-use assets	(624,065)	43,256	155	(580,654)	(402,022)	(345,342)	(1,328,018)
Other assets	(11,681)	31,714		20,033	20,636		40,669
Other borrowed funds	523,508	199,776		723,284	(152,729)		570,555
Other liabilities	738,070	101,478		839,548	99,970		939,518
Other financial instruments at amortised cost and provisions	(56,985)	(20,967)		(77,952)	6,281		(71,671)
<b>Deferred tax liabilities, net</b>	<b>(732,149)</b>	<b>243,342</b>	<b>(16,960)</b>	<b>(505,767)</b>	<b>(668,075)</b>	<b>(382,892)</b>	<b>(1,556,734)</b>

## 15 Credit loss (expense)/reversal

The table below shows the ECL charges on financial instruments and recoveries of written off loans and receivables from finance leases recorded in the consolidated statement of profit or loss for the year ended 31 December 2025:

<i>In thousands of Armenian Drams</i>	Note	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and cash equivalents	7	7,073	-	-	-	7,073
Loans and advances to banks	9	20,408	-	-	-	20,408
Debt securities at amortised cost	10	(33,708)	-	-	-	(33,708)
Debt securities measured at FVOCI	10	5,995	-	-	-	5,995
Loans to customers at amortised cost	11	(568,372)	(210,159)	(4,407,958)	(2,008)	(5,188,497)
Receivables from finance leases	12	150,945	10,280	12,366	-	173,591
Other financial assets	16	7,887	-	-	-	7,887
Guarantees and letters of credit	25	(190)	-	-	-	(190)
Loan, credit line and credit card commitments	25	(18,942)	(326)	(620)	-	(19,888)
Recovery of written off loans and receivables from finance leases		-	-	736,917	-	736,917
<b>Total credit loss expense</b>		<b>(428,904)</b>	<b>(200,205)</b>	<b>(3,659,295)</b>	<b>(2,008)</b>	<b>(4,290,412)</b>

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The table below shows the ECL charges on financial instruments and recoveries of written off loans and receivables from finance leases recorded in the consolidated statement of profit or loss for the year ended 31 December 2024:

<i>In thousands of Armenian Drams</i>	<b>Note</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>POCI</b>	<b>Total</b>
Cash and cash equivalents	7	(24,214)	-	-	-	<b>(24,214)</b>
Loans and advances to banks	9	7,535	-	-	-	<b>7,535</b>
Debt securities at amortised cost	10	(66,089)	-	-	-	<b>(66,089)</b>
Debt securities measured at FVOCI	10	25,308	-	-	-	<b>25,308</b>
Loans to customers at amortised cost	11	(80,420)	(12,309)	(3,453,678)	-	<b>(3,546,407)</b>
Receivables from finance leases	12	15,713	(18,208)	43,430	-	<b>40,935</b>
Other financial assets	16	7,404	-	-	-	<b>7,404</b>
Guarantees and letters of credit	25	8,338	8	(3)	-	<b>8,343</b>
Loan, credit line and credit card commitments	25	(7,160)	(1,028)	(1,806)	-	<b>(9,994)</b>
Recovery from written off loans		-	-	1,207,008	-	<b>1,207,008</b>
<b>Total credit loss expense</b>		<b>(113,585)</b>	<b>(31,537)</b>	<b>(2,205,049)</b>	<b>-</b>	<b>(2,350,171)</b>

**16 Other assets**

Other assets comprise:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Other receivables	2,408,517	2,240,014
Advances paid to leased property suppliers*	14,082,912	12,121,443
Impairment allowance	(15,145)	(23,032)
<b>Total other financial assets</b>	<b>16,476,284</b>	<b>14,338,425</b>
Deferred employee compensation - staff loans	3,194,197	3,166,128
Advances paid for construction of building	420,950	1,504,659
Prepayments to suppliers	2,248,677	414,298
Repossessed assets	1,913,386	1,665,921
VAT recoverable	1,615,718	2,275,360
Inventories	357,467	334,086
Property to be leased	352,603	764,751
Returned lease property	81,753	23,800
Other	626,639	328,925
<b>Total other non-financial assets</b>	<b>10,811,390</b>	<b>10,477,928</b>
Less impairment allowance	(794,185)	(744,937)
<b>Total other assets</b>	<b>26,493,489</b>	<b>24,071,416</b>

\*In financial statements for the year ended 31 December 2024 Advances paid to leased property suppliers were presented under other non-financial assets. To enhance presentation of the item it has been moved to other financial assets subtotal with corresponding reflection under Risk Management, Fair value measurements, Maturity analysis of assets and liabilities disclosure.

An analysis of changes in the ECLs for other financial assets for the year ended 31 December 2025 is as follows:

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL at 1 January 2025</b>	<b>23,032</b>	<b>-</b>	<b>23,032</b>
New assets originated or redeemed (net)	(7,887)	-	<b>(7,887)</b>
Transfers to Stage 3	-	-	-
Write-off	-	-	-
<b>At 31 December 2025</b>	<b>15,145</b>	<b>-</b>	<b>15,145</b>

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An analysis of changes in the ECLs for other financial assets for the year ended 31 December 2024 is as follows:

<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL at 1 January 2024</b>	<b>30,436</b>	-	<b>30,436</b>
New assets originated or redeemed (net)	(7,404)	-	<b>(7,404)</b>
Transfers to Stage 3	-	-	-
Write-off	-	-	-
<b>At 31 December 2024</b>	<b>23,032</b>	-	<b>23,032</b>

An analysis of Impairment allowance for non-financial assets as follows:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
<b>Balance at the beginning of the year</b>	<b>744,937</b>	<b>656,841</b>
Net charge	49,248	88,096
<b>Balance at the end of the year</b>	<b>794,185</b>	<b>744,937</b>

## 17 Deposits and balances from banks

Deposits and balances from banks include the following:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Loans from other Banks	4,876,206	-
Correspondent accounts and overnight placements of other banks	672,035	419,101
Short-term placements of banks	28,319	43,696
<b>Total deposits and balances from banks</b>	<b>5,576,560</b>	<b>462,797</b>

## 18 Current accounts and deposits from customers

Current accounts and deposits from customers include the following:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
<b>Current accounts and demand deposits</b>		
Retail	109,709,134	100,070,308
Corporate	131,526,487	139,391,143
Unsettled transactions	3,381,519	3,627,888
<b>Term deposits</b>		
Retail	271,377,115	258,523,637
Corporate	97,743,040	81,733,516
<b>Total</b>	<b>613,737,295</b>	<b>583,346,492</b>
Held as security against guarantees	4,076,053	2,937,568

At 31 December 2025, current accounts and deposits from customers of AMD 108,377,128 thousand (18%) were due to the ten largest customers (2024: AMD 111,319,038 thousand (19%)).

As at 31 December 2025, the Group has two customers (31 December 2024: two customers) whose balances exceed 10% of equity. The gross value of these balances as at 31 December 2025 is AMD 59,182,374 thousand (31 December 2024: AMD 57,839,238 thousand).

Unsettled transactions include amounts that were not settled as of 31 December 2025 in the Group's customers' accounts. These were settled on the first working days of January 2026.

In accordance with the Armenian legislation, the Group is obliged to repay deposits upon demand of individual depositors. In case a term deposit is repaid upon demand of a depositor prior to maturity, interest on it is paid based on the interest rate for demand deposits, unless a different interest rate is specified in the agreement.

## 19 Debt securities issued

Debt securities issued consisted of the following:

<i>In thousands of Armenian Drams</i>	2025	2024
Domestic bonds issued	51,798,299	39,408,576
<b>Debt securities issued</b>	<b>51,798,299</b>	<b>39,408,576</b>

From 20 February 2025 to 18 December 2025, the Group issued AMD and USD denominated bonds with nominal amount of AMD 13,437,200 thousand (2024: AMD 11,398,900 thousand) and USD 10,000,000 (2024: USD 17,059,600) accordingly.

Carrying value of the domestic bonds issued consisted of:

	2025	2024
AMD denominated bonds	37,891,722	26,997,701
USD denominated bonds	13,906,577	12,410,875
<b>Total domestic bonds issued</b>	<b>51,798,299</b>	<b>39,408,576</b>

Annual coupon interest rate and maturity dates for placed bonds are the following:

	AMD	USD	Maturity date
Bonds issued in 2023	11.5%	5.0%	2026
Bonds issued in 2024	9.5%	4.5%	2026
Bonds issued in 2024	11%	6%	2029
Bonds issued in 2024	10.5%	-	2029
Bonds issued in 2025	9.5%	-	2028
Bonds issued in 2025	10%	-	2030
Bonds issued in 2025	10.5%	5.5%	2030

## 20 Other borrowed funds

Other borrowed funds consisted of the following:

<i>In thousands of Armenian Drams</i>	2025	2024
Borrowings from international financial institutions	100,428,144	60,344,636
Borrowings from CBA and Government of Armenia	46,362,273	43,842,216
Borrowings from local financial institutions	2,485,094	2,679,022
Lease liabilities	3,902,296	4,017,986
<b>Other borrowed funds</b>	<b>153,177,807</b>	<b>110,883,860</b>

Borrowings from international financial institutions include AMD, USD and EUR denominated borrowings under several financing programs maturing from 2026 till 2041.

Borrowings from Government of Armenia mainly include AMD denominated borrowings provided by Central Bank of Armenia under different financing programs of IFIs, maturing from 2026 to 2033.

Borrowings from local financial institutions comprise of AMD borrowings under mortgage refinancing programs, maturing from 2026 to 2035.

As at 31 December 2025, loans to customers and finance lease receivables with a gross value of AMD 47,812,733 thousand (2024: AMD 46,541,685 thousand) serve as collateral for secured borrowings from RA Government and Armenian financial institutions (see Notes 11 and 12).

As at 31 December 2025 the Group has other borrowed funds from three lenders (2024: two lenders), whose balances exceed 10% of equity. The gross value of these balances as at 31 December 2025 is AMD 93,006,317 thousand (2024: AMD 60,234,310 thousand).

**Compliance with covenants.** As at 31 December 2025 and as at 31 December 2024 the Group was in compliance with all covenants.

**Lease liabilities.** Set out below are the carrying amounts of lease liabilities and the movements during the period:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
As at 1 January	4,017,986	2,896,371
Additions	935,153	629,855
Modification	47,460	1,387,377
Accretion of interest	408,848	441,676
Payments	(1,269,405)	(1,259,478)
FX (loss)/gain	(22,261)	(5,974)
Termination of contract	(215,485)	(71,841)
<b>As at 31 December</b>	<b>3,902,296</b>	<b>4,017,986</b>

The Group had total cash outflows for leases of AMD 1,269,405 thousand in 2025 (2024: AMD 1,259,478 thousand). The Group also had non-cash additions to right-of-use assets and lease liabilities of AMD 935,153 thousand in 2025 (2024: AMD 629,855 thousand).

## 21 Subordinated loans

As at 31 December 2025 the Group has subordinated loans with gross amount of AMD 13,152,984 thousand (2024: AMD 12,632,502 thousand). Subordinated loans include USD and EUR denominated loans with maturity from 2027 till 2031 and with interest rate from 5.8% to 8.9%.

## 22 Other liabilities

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Accounts payable	5,865,920	5,393,772
Prepayments from lessees*	5,287,098	4,209,596
Payables to employees	5,155,173	4,889,424
Deferred guarantee fees	1,406,567	979,738
Provisions for credit-related commitments	95,748	75,555
<b>Total other financial liabilities</b>	<b>17,810,506</b>	<b>15,548,085</b>
Taxes payable other than on income	926,820	957,676
Payables to Deposit Guarantee fund	196,115	224,463
Other non-financial liabilities	384,284	218,772
<b>Total other non-financial liabilities</b>	<b>1,507,219</b>	<b>1,400,911</b>
<b>Total other liabilities</b>	<b>19,317,725</b>	<b>16,948,996</b>

\*In financial statements for the year ended 31 December 2024 prepayments from lessees were presented under other non-financial liabilities. To enhance presentation of the item it has been moved to other financial liabilities subtotal with corresponding reflection under Risk Management, Fair value measurements, Maturity analysis of assets and liabilities disclosure.

## 23 Redemption liability

The Group has recognised a redemption liability as at 31 December 2025 in relation to the agreement signed with shareholders of the Bank, according to which the ACBA Federation granted put options exercisable during a specified exit period till 2032 and upon the occurrence of the certain predefined trigger event.

The Group has recognized a redemption liability representing its obligation to repurchase the shares from shareholders upon option exercise. Although the option has not yet been exercised, the contractual obligation to repurchase Bank's equity instruments for cash results in classification as a financial liability.

As of the reporting date, the liability is measured at the present value of the expected repurchase amount and is classified as a non-current financial liability, the options have long-term horizons and are anticipated to remain inactive over the next 12 months, with exercise being unlikely during this period.

Set out below are the carrying amounts of redemption liability and the movements during the period:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
<b>Balance as at 1 January 2025</b>	<b>12,610,370</b>	-
Initial recognition	-	12,565,136
Accrued interest expense on Redemption liability (Note 26)	1,366,844	45,234
Derecognition of Redemption liability	(2,785,393)	-
Other movement	-	-
<b>Balance as at 31 December 2025</b>	<b>11,191,821</b>	<b>12,610,370</b>

A 2 percentage point increase in the growth rate would result in an approximate increase of AMD 526,887 thousand (2024: AMD 1,906,131 thousand) in the carrying amount of the redemption liability. A 2 percentage point decrease in Bank's growth rate would result in approximate decrease of AMD 1,168,471 thousand (2024: AMD 401,450 thousand) in the carrying amount of redemption liability.

A 1.5 percentage point increase in the discount rate would result in a decrease of AMD 1,056,928 thousand (2024: AMD 974,417 thousand) in the carrying amount of the Redemption liability. A 1.5 percentage point decrease in the discount rate would result in an increase of AMD 414,859 thousand (2024: AMD 1,071,310 thousand).

The decrease in the redemption liability during 2025 is attributable to the sale of the bank's shares by one of its shareholders.

## **24 Equity**

### **Issued capital**

As at 31 December 2025 and 31 December 2024 the Group's share capital was AMD 22,312,000 thousand. The authorized, issued and outstanding share capital comprises 22,312,000 ordinary shares (2024: 22,312,000 ordinary shares) with a par value of AMD 1,000 (2024: AMD 1,000) each.

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

The list of shareholders of ACBA Federation CJSC is disclosed in Note 1.

### **Nature and purpose of reserves**

**Revaluation reserve for property and equipment.** The revaluation reserve for land, buildings and motor vehicles comprises the cumulative positive revalued value of land, buildings and motor vehicles over their cost net of deferred tax.

**Revaluation reserve for investment securities.** The revaluation reserve for investment securities comprises the cumulative net change in the fair value, ECL and net of deferred tax, until the assets are derecognized or impaired.

**Non-Controlling Interest.** The following table provides information about each subsidiary that has non-controlling interest that is material to the Group:

<i>In thousands of Armenian Drams</i>	<b>Place of business</b>	<b>Proportion of non-controlling interest</b>	<b>Proportion of non-controlling interest's voting rights held</b>	<b>Profit attributable to non-controlling interest</b>	<b>Accumulated non-controlling interest in the subsidiary</b>	<b>Dividends paid to non-controlling interest during the year</b>
<b>Year ended 31 December 2025</b>						
ACBA Bank OJSC	Republic of Armenia	25%	25%	8,962,551	48,632,013	1,645,608
<b>Year ended 31 December 2024</b>						
ACBA Bank OJSC	Republic of Armenia	25%	25%	5,342,885	40,860,333	1,011,007

The summarised financial information of this subsidiary was as follows:

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<i>In thousands of Armenian Drams</i>	<b>Total Assets</b>	<b>Total Liabilities</b>	<b>Interest revenue calculated using effective interest rate</b>	<b>Profit</b>	<b>Total comprehensive income</b>
<b>Year ended 31 December 2025</b>					
ACBA Bank OJSC	1,062,519,621	867,959,973	92,774,364	35,856,026	37,702,769
<b>Year ended 31 December 2024</b>					
ACBA Bank OJSC	931,697,149	768,256,770	79,644,047	28,765,089	28,918,362

**Decrease in ownership in subsidiary.** During the reporting year, the Group disposed of its interests in ACBA Technologies CJSC. As at 31 December 2025, the Group does not hold any ownership interest in this entity. In addition, the liquidation process of ACBA Trade LLC was initiated during 2025, and was completed in January 2026.

**Dividends paid by subsidiary to non-controlling interests.** The dividends paid to non-controlling interests by ACBA Bank OJSC in 2025 and 2024 amounted to AMD 1,645,608 thousand and AMD 1,011,007 thousand accordingly.

**Share-based payment reserve transfer to Retained earnings.** In 2025, following maturing of the Employee Stock Ownership Program, the related share-based payment reserve amounting to AMD 32,738 thousand was transferred to retained earnings.

## **25 Commitments and contingencies**

**General.** Armenia continues economic reforms and development of its legal, tax and regulatory frameworks. The future stability of the Armenian economy is largely dependent upon these reforms and developments and the effectiveness of economic, financial and monetary measures undertaken by the government.

Management believes that it is taking appropriate measures to support the sustainability of the Group's business in the current circumstances.

**Legal.** In the ordinary course of business, the Group 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 of the Group.

**Taxation.** The taxation system in the Republic of Armenia is relatively new and is characterized by frequent changes in legislation, official pronouncements and court decisions, which are sometimes unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose fines, penalties and interest charges. 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 the Republic of Armenia that are more significant than in other jurisdictions. 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 the financial position, if the authorities were successful in enforcing their interpretations, could be significant.

**Credit related commitments.** As at 31 December the Group's commitments and contingencies comprised the following:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
<b>Credit related commitments</b>		
Loan and credit line commitments, credit card commitments	39,106,267	35,710,592
Letters of credit	181,187	128,016
Non financial guarantees	7,075,461	31,596,404
Financial guarantees	49,774,918	6,074,434
<b>Commitments and contingencies</b>	<b>96,137,833</b>	<b>73,509,446</b>

An analysis of changes in the ECLs in relation to loans, credit lines and credit card commitments during the year ended 31 December 2025 is as follows:

<b>Loans and credit lines and credit card commitments</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECLs as at 1 January 2025</b>	<b>67,633</b>	<b>1,950</b>	<b>5,972</b>	<b>75,555</b>
New exposures	25,939	-	-	<b>25,939</b>
Expired exposures	(19,303)	(1,348)	(1,886)	<b>(22,537)</b>
Transfers to Stage 1	135	(135)	-	-
Transfers to Stage 2	(405)	405	-	-
Transfers to Stage 3	(1,070)	(76)	1,146	-
Impact on period end ECL of exposures transferred between stages during the period	(92)	1,670	2,139	<b>3,717</b>
Changes to models and inputs used for ECL calculations	13,738	(190)	(779)	<b>12,769</b>
Foreign exchange adjustments	310	0	(5)	<b>305</b>
<b>At 31 December 2025</b>	<b>86,885</b>	<b>2,276</b>	<b>6,587</b>	<b>95,748</b>

An analysis of changes in the ECLs in relation to loans, credit lines and credit card commitments during the year ended 31 December 2024 is as follows:

<b>Loans and credit lines and credit card commitments</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECLs as at 1 January 2024</b>	<b>60,857</b>	<b>928</b>	<b>4,202</b>	<b>65,987</b>
New exposures	23,001	-	-	<b>23,001</b>
Expired exposures	(17,955)	(354)	(1,615)	<b>(19,924)</b>
Transfers to Stage 1	123	(123)	-	-
Transfers to Stage 2	(280)	280	-	-
Transfers to Stage 3	(903)	(51)	954	-
Impact on period end ECL of exposures transferred between stages during the period	(107)	1,263	1,940	<b>3,096</b>
Changes to models and inputs used for ECL calculations	3,281	13	527	<b>3,821</b>
Foreign exchange adjustments	(384)	(6)	(36)	<b>(426)</b>
<b>At 31 December 2024</b>	<b>67,633</b>	<b>1,950</b>	<b>5,972</b>	<b>75,555</b>

An analysis of changes in the gross carrying value and corresponding ECL in relation to guarantees and letters of credit during the year ended 31 December 2025 is as follows:

<b>Guarantees and letters of credit</b>				
<i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2025</b>	<b>36,682,010</b>	<b>68,010</b>	<b>1,048,834</b>	<b>37,798,854</b>
New guarantees and letters of credit originated or purchased	46,035,333	-	-	<b>46,035,333</b>
Guarantees and letters of credit matured or settled	(26,430,620)	(7,375)	(364,626)	<b>(26,802,621)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(67,425)	67,425	-	-
Transfers to Stage 3	(486,859)	-	486,859	-
Foreign exchange adjustments	-	-	-	-
<b>At 31 December 2025</b>	<b>55,732,439</b>	<b>128,060</b>	<b>1,171,067</b>	<b>57,031,566</b>

**ACBA Federation CJSC**

**Notes to Consolidated financial statements - 31 December 2025**

<b>Guarantees and letters of credit</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2025</b>	<b>412</b>	<b>1</b>	<b>8</b>	<b>421</b>
Movements with impact on credit loss allowance charge for the period:				
New guarantees and letters of credit originated or purchased	531	-	-	<b>531</b>
Guarantees and letters of credit matured or settled	(317)	-	(3)	<b>(320)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(4)	-	4	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	-	-
Changes to models and inputs used for ECL calculations	(20)	-	(1)	<b>(21)</b>
Foreign exchange adjustments	-	-	-	-
<b>ECL as at 31 December 2025</b>	<b>602</b>	<b>1</b>	<b>8</b>	<b>611</b>

An analysis of changes in the gross carrying value and corresponding ECL in relation to guarantees and letters of credit during the year ended 31 December 2024 is as follows:

<b>Guarantees and letters of credit</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Gross carrying value as at 1 January 2024</b>	<b>31,257,294</b>	<b>573,493</b>	<b>292,629</b>	<b>32,123,416</b>
New guarantees and letters of credit originated or purchased	29,639,881	-	-	<b>29,639,881</b>
Guarantees and letters of credit matured or settled	(23,595,156)	(123,493)	(242,502)	<b>(23,961,151)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(68,010)	68,010	-	-
Transfers to Stage 3	(548,707)	(450,000)	998,707	-
Foreign exchange adjustments	(3,292)	-	-	<b>(3,292)</b>
<b>At 31 December 2024</b>	<b>36,682,010</b>	<b>68,010</b>	<b>1,048,834</b>	<b>37,798,854</b>

<b>Guarantees and letters of credit</b> <i>In thousands of Armenian Drams</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>ECL as at 1 January 2024</b>	<b>8,750</b>	<b>9</b>	<b>5</b>	<b>8,764</b>
Movements with impact on credit loss allowance charge for the period:				
New guarantees and letters of credit originated or purchased	353	-	-	<b>353</b>
Guarantees and letters of credit matured or settled	(8,620)	(2)	(4)	<b>(8,626)</b>
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	(1)	1	-	-
Transfers to Stage 3	(5)	(7)	12	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	(5)	<b>(5)</b>
Changes to models and inputs used for ECL calculations	(65)	-	-	<b>(65)</b>
Foreign exchange adjustments	-	-	-	-
<b>ECL as at 31 December 2024</b>	<b>412</b>	<b>1</b>	<b>8</b>	<b>421</b>

**26 Net interest income**

Net interest income comprises:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
<b>Financial assets measured at amortized cost</b>		
Loans to legal entities and individuals	84,045,760	70,100,603
Amounts receivable under reverse repurchase agreements	2,376,591	3,994,841
Loans and advances to banks	1,050,875	1,133,912
Other	50	46,578
	<b>87,473,276</b>	<b>75,275,934</b>
<b>Financial assets measured at fair value through other comprehensive income</b>		
Debt instruments	4,951,111	4,187,172
	<b>92,424,387</b>	<b>79,463,106</b>
<b>Interest revenue calculated using effective rate</b>		
Receivables from finance leases	14,172,169	12,351,284
Other interest income	64,661	173,483
	<b>14,236,830</b>	<b>12,524,767</b>
<b>Total interest revenue</b>	<b>106,661,217</b>	<b>91,987,873</b>
<b>Interest expense</b>		
Current accounts and deposits from customers	25,800,232	26,334,605
Other borrowed funds and subordinated loans except lease liabilities	9,974,871	8,334,913
Debt securities issued	4,072,034	2,310,867
Amounts payable under repurchase agreements	106,045	1,979
Interest expense on Redemption liability	1,366,845	45,234
Other	145,189	35,255
	<b>41,465,216</b>	<b>37,062,853</b>
Lease liabilities	408,848	441,676
	<b>41,874,064</b>	<b>37,504,529</b>
<b>Net interest income</b>	<b>64,787,153</b>	<b>54,483,344</b>

**27 Net fee and commission income**

Net fee and commission income comprise:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Plastic card and transactions fees	13,263,494	11,404,952
Guarantee and letter of credit issuance	1,411,924	281,338
Money transfers	1,187,188	1,060,129
Other	740,798	281,981
Current account fees	658,639	584,093
Commissions for acting as an insurance agent	560,183	430,960
Commissions from lease equipment suppliers	459,170	213,756
Cash withdrawal services	430,071	449,599
	<b>18,711,467</b>	<b>14,706,808</b>
Plastic card	8,357,058	6,057,748
Other	629,129	356,997
Money transfers	178,809	184,739
	<b>9,164,996</b>	<b>6,599,484</b>
<b>Net fee and commission income</b>	<b>9,546,471</b>	<b>8,107,324</b>

## 28 Other income

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Gain on the disposal of property, plant, and equipment	120,337	489,167
Income from write-off payables	33,146	18,256
Compensation received	2,368	13,386
Dividends	1,932	2,174
Fines and penalties received	851	773
Net income from card transactions	296	743
Net proceeds from sale of other assets	-	12,229
Other	554,051	407,462
<b>Total other income</b>	<b>712,981</b>	<b>944,190</b>

## 29 Personnel expenses

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Salaries and wages	15,871,871	14,217,425
Bonuses and performance incentives	5,873,945	5,512,104
Other personal expenses	1,579,343	1,449,693
<b>Total personnel expenses</b>	<b>23,325,159</b>	<b>21,179,222</b>

## 30 Other operating expenses

Other operating expenses comprise:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Guarantee fee expenses on deposit insurance fund	852,255	838,384
Software and Service Fees	460,156	297,735
Taxes other than on income	368,873	290,353
Loss from revaluation of land and buildings	292,577	-
Financial system mediator payments	169,796	145,257
Encashment expenses	135,003	150,917
Loan collection expenses	124,893	174,648
Securities registry maintenance fee	43,124	19,724
Fines and penalties paid	573	10,560
Loss on disposal of property, plant, and equipment	-	198,323
Other	701,465	541,805
<b>Other operating expenses</b>	<b>3,148,715</b>	<b>2,667,706</b>

## 31 Other general administrative expenses

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Repairs and maintenance	1,477,416	1,448,009
Advertising and marketing	1,063,345	905,433
Utilities and office supplies	436,892	444,030
Other managerial expenses	435,119	495,010
Communications	412,620	498,569
Software maintenance expense	387,080	359,532
Insurance	254,583	234,518
Security	245,134	282,344
Representative expenses	172,680	87,231
Operating lease expense	69,469	33,944
Other	962,601	724,551
<b>Other general administrative expenses</b>	<b>5,916,939</b>	<b>5,513,171</b>

## 32 Charge for other impairment and provisions

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Impairment charge for repossessed assets	(49,248)	(88,096)
Impairment of investment in subsidiary	(49,210)	-
<b>Charge for other impairment and provisions</b>	<b>(98,458)</b>	<b>(88,096)</b>

### **33 Risk management**

**Introduction.** The Group's risk management system, in line with the Group's strategy includes a set of innovative and international risk management tools, documents defining the principles of risk management, and activities aimed at maintaining and spreading the risk culture in the Group. Risk is inherent in the Group's activities, and it is managed through an ongoing process of identification, measurement, management, monitoring and reporting systems, overseen by governance. This process is subject to defined risk limits and reinforced by permanent controls. Accountability for managing risk exposures is distributed across the Group, with each individual responsible for risks within their purview.

The major risks that the Group faces include credit risk, liquidity risk, market risk (which encompasses trading and non-trading risks, in particular interest rate risk and foreign exchange risk), and operational risk. Additionally, the Group remains vigilant regarding emerging risks, such as cybersecurity threats, and ensures compliance with regulatory standards governing risk management practices. Quantitative assessments of these risks are regularly conducted to inform decision-making and safeguard the Group's profitability and stability.

**Risk identification.** Risk identification is a continuous process within the Group and is achieved through regular assessments of risks, ongoing monitoring of portfolios, assessment of risks in new business activities and processes, assessment of risks in complex and unusual business transactions and the regular monitoring of the overall risk profile.

**Risk measurement and management systems.** The Group adopts a customized approach to analysing and assessing different types of risks by using statistical models, sensitivity analyses, and monitoring key risk indicators. When necessary, the Group takes appropriate measures to address potential risks. These models undergo regular back testing and validation to confirm their accuracy. The Group also performs stress test analyses to assess the effects of extreme, low-probability events. As part of its comprehensive risk management strategy, the Group utilizes derivatives and other financial instruments to hedge against risks associated with fluctuations in interest rates, foreign currencies, equity markets, credit exposures, and anticipated transactions. Furthermore, the Group actively uses various credit risk mitigation tools.

**Monitoring and controlling risks.** The Group primarily monitors and controls risks by adhering to established limits, which are set in alignment with the Group's business strategy, market conditions, and the risk appetite, with particular attention to specific industries to achieve optimal diversification level. Additionally, the Group continuously assesses its overall risk-bearing capacity in relation to the total risk exposure across all risk types and activities. In the event of risk limit breaches, periodical alerts are issued based on the nature and urgency of the breach. These alerts are communicated to the relevant business divisions for review and implementation of appropriate preventive and corrective actions.

**Risk management reporting system.** Risk Relevant data from all business lines are examined and processed to identify, manage, and mitigate risks and make them in line with risk appetite for each entity within the Group. The Group has two main reporting lines: Risk Management Committee to the Executive Management and the Risk Management Committee to the Board. Reports to the Risk Management Committees include, but are not limited to, an analysis of aggregate credit exposure, detailed macroeconomic analysis, monitoring of credit concentration limits, GAP analysis, Value-at-Risk (VaR) estimates, liquidity ratios, benchmark comparisons, stress test results, and updates on risk appetite and risk profile changes of each entity within the Group.

The Risk Management Committees meet regularly to discuss critical risk issues and approve actions to mitigate and manage them. On a quarterly basis, the Board receives a comprehensive risk report, providing key insights to assess and make informed decisions regarding overall risk exposure. Tailored risk reports are meticulously prepared and distributed across all levels of the organization, ensuring that each related business division has access to relevant and up-to-date information.

#### **The Bank's Risk management structure**

**The Board** holds ultimate responsibility for identifying and controlling risks within the organization. Nevertheless, distinct independent bodies are designated with the specific duties of managing and monitoring these risks. The Board is responsible for the overall risk management approach and for approving the risk strategies and principles. The Board oversees risk management by approving the Risk

management framework, risk appetite framework, risk appetite statement, and related risk management policies and limits.

**Risk Management Committee to the Board** assists the Board in overseeing the Group's risk profile and performance against the defined risk appetites. On a regular basis the Risk Management Committee to the Board reviews risk management report and provides concerns and suggestions regarding the overall risk profile and market situation to the Board.

**Chief Executive Officer of the Bank.** The Chief Executive Officer of the Bank has the responsibility to ensure effective application of the Group's risk management frameworks and circulation of internal legal acts, define allocation of decision-making powers related to risk management within their authority, review risk-related internal legal acts and submits them to the Board for approval and provide sufficient human and technical resources for effective functioning of risk management functions.

**Risk Management Committee (to the Executive management).** The executive-level Risk Management Committee has the overall responsibility for reviewing the risk profile compliance with the Group's strategy and Risk Management Framework, reviewing risk appetite indicators, alerts, and relevant reports from responsible units as well as providing a forum for cross-functional coordination ensuring timely escalation to the Bank's CEO or Board when necessary.

**Risk Management Directorate.** The Risk Management Directorate is primarily responsible for the identification, measurement, monitoring, and management of the risks within their remit, followed by comprehensive reporting after each step to ensure an independent control process. Risk Management Directorate fosters a strong risk culture across all levels of the Group, ensuring awareness and accountability for risk-taking.

**Assets and Liabilities Management Department.** The Assets and Liabilities Management Department is responsible for managing the Group's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding, liquidity and interest rate risks of the Bank.

**Internal audit Directorate.** Risk management processes throughout the Group are audited annually by the internal audit function, that examines both the adequacy of the procedures and the Group's compliance with the procedures. Internal Audit Directorate discusses the results of all assessments with management and reports its findings and recommendations to the Audit Committee to the Board.

The subsidiary operates with a risk management structure aligned to its specific functions and organizational framework, like that of the Bank. While its roles and responsibilities may vary based on its scope and activities, it generally adheres to similar principles in decision-making, risk management, and operational oversight as those of the Bank.

The Group is exposed to several risk types, the most common of which are presented below.

### **Credit risk**

Credit risk arises from the failure of one party to fulfil its financial obligations to another party. The credit risk can appear by the following forms:

- A debtor fails to pay interest or principal on a loan (bankruptcy risk or default risk)
- An obligor or counterparty is downgraded (downgrade risk), indicating an increase in risk that may lead to an immediate loss in value of a credit-linked security; and
- A counterparty to a market trade fails to perform (counterparty risk), including settlement.

The Group manages and controls credit risk by setting risk appetite, tolerance and capacity limits. In its risk appetite statement, the Group defines the credit risk relevant limits to manage the concentration risk and achieve the credit portfolio optimal diversification level.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

The Group has implemented a comprehensive credit risk management system, which is divided into two complementary areas:

- Individual credit risk management system
- Credit portfolio risk management system

Individual credit risk management system includes scoring systems for evaluating the customer's creditworthiness, credit rating systems for corporate customers, as well as other financial and economic analytical systems automated decision-making scoring systems built on the basis of the Application and Behavioural Score models have been implemented within the Group.

The credit portfolio risk management system includes the estimation of both expected and unexpected loss estimations. Based on the latter the Entity calculates its' economic capital for credit risk. From IFRS 9 perspective the Entity applies credit portfolio segmentation, and develops models for assessing the PD, LGD and EAD for each segment.

**Derivative financial instruments' risk.** Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded in the consolidated statement of financial position.

**Credit-related commitments' risk.** The Group makes available to its customers bank guarantees and letters of credit which may require that the Group make payments on their behalf. Such payments are collected from customers based on the contractual terms. They expose the Group to similar risks to loans and these are mitigated by the same control processes and policies.

**The maximum exposure to credit risk of financial instrument.** The maximum exposure to credit risk for the components of the consolidated statement of financial position, including derivatives, before the effect of mitigation through the use of master netting and collateral agreements, is best represented by their carrying amounts.

Where financial instruments are recorded at fair value, the carrying value represents the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

For more details on the maximum exposure to credit risk for each class of financial instrument, references are represented in the specific notes. The effects of collateral and other risk mitigation techniques are shown in Notes 11 and 12.

**Impairment assessment.** The Group computes Expected Credit Loss (ECL) through the evaluation of three probability-weighted scenarios to measure anticipated cash shortfalls, discounted at the Effective Interest Rate (EIR) at origination. A cash shortfall is defined as the variance between the contractual cash flows owed to an entity and the anticipated cash flows the entity expects to receive, factoring in potential credit risk. The mechanics of the ECL calculations are detailed below, with key elements including:

PD	The Probability of Default (PD) represents an estimation of the likelihood of default occurring within a defined time horizon. Default may occur at any point within the assessed period if the facility remains in the portfolio and has not been derecognized previously.
EAD	The Exposure at Default (EAD) is an estimation of the exposure at a future default date, considering anticipated changes in exposure post-reporting date. This includes scheduled or unscheduled repayments of principal and interest, expected drawdowns on committed facilities, and accrued interest resulting from missed payments.
LGD	The Loss Given Default (LGD) represents an estimation of the loss arising in the event of default at a specific time. It is determined by comparing the contractual cash flows due with those expected to be received by the lender, considering any collateral realization or future expected recoveries. Typically, LGD is expressed as a percentage of the Exposure at Default (EAD).

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LT ECL). In case there has been no significant increase in credit risk since financial instrument origination the allowance is based on the 12 months' expected credit loss. The 12m ECL is the part of the LT ECL that represents the ECLs that could arise from financial instrument default

events within a year of the reporting date. LT ECL and 12m ECL are computed either individually or collectively, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to assess, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Group groups its loans into Stage 1, Stage 2, Stage 3 and POCI, as described below:

- Stage 1:** When loans are first recognised, the Group recognises an allowance based on 12m ECL. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- Stage 2:** When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the LT ECL. Stage 2 loans also include facilities, where the credit risk has improved, and the loan has been reclassified from Stage 3.
- Stage 3:** Loans considered credit impaired.
- POCI:** Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest revenue is subsequently recognised based on a credit-adjusted EIR. ECL are only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses.

**Definition of default and cure.** The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when:

- the borrower becomes more than 90 days past due on its contractual payments.
- all liabilities of the given borrower, if at least one of them has more than 90 overdue days in the Group and/or other financial organizations (also includes the affiliation of a natural person and an individual entrepreneur).
- all liabilities of the given borrower, if at least one of the liabilities of the affiliated persons is more than 90 days overdue in the Group.
- refinanced or revised assets due to borrower's poor financial condition, for which there are more than 30 overdue days with the Group.

A financial instrument is also considered as credit-impaired based on predefined other quantitative and qualitative factors, such as:

- the quality of credits due to affiliated parties.
- the state of being rescheduled.
- the outcomes of financial monitoring, which are approved by the management.
- reduction of loan security - as a result of total or partial loss of collateral by the mortgagor, physical damage or illegal sale, or decrease in the loan security ratio due to a decrease in the market value of collateral.
- concentration of loans to other persons, including concentration to family members, refusal to repay loans by the borrower and presence of more than 30 overdue days. This criterion is assigned to all loans to which the monitoring conclusion applies.
- force majeure: death of the borrower or the sole owner, disability, serious illnesses. This criterion is applied to all loans of the customer, and
- natural disasters or epidemics. This criterion is assigned to all loans to which the monitoring conclusion applies.

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

It is the Group's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when none of the default criteria have been present for at least six consecutive months and the number of overdue days has not exceeded seven calendar days. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the debt service by the borrower and existence of other non-primary SICR criteria as of date of the assessment.

### **Loans to customers**

**Bucketing.** For stage 1 and stage 2 loans to customers, as well as for stage 3 exposures, which are not individually subject to impairment, the Group calculates ECL on portfolio level. The following portfolios are segregated by the Bank, which, to evaluate the PD PIT matrices, are further sub-bucketed into smaller target groups.

- Corporate loans.
- Consumer loans.
- Agricultural loans.
- Mortgages.

For ACBA Leasing Credit Organization CJSC the lease is considered as the main target group. Credit card exposures are included in Consumer loans group.

### **PD estimation process**

**Treasury and interbank relationships.** The Group's treasury and interbank relationships and counterparties comprise financial services institutions, banks, broker-dealers, exchanges and clearing-houses. For these relationships, the Group's financial risks management division analyses publicly available information such as financial information and other external data, e.g., the external ratings.

PDs for loans to customers are based on historic information and calculated through probability transition matrices, based on historical information on ageing of the loan portfolios. The probabilities are calculated as the proportion of loans that defaulted during the 12-month period from the total number of loans at the beginning of that period. In calculation of PDs the Group considers forward looking macroeconomic parameters that have a significant impact on the probability of default estimated through time series regression analyses. The forecasts of PDs are evaluated based on the officially available forward-looking macroeconomic parameters. Time series regression analyses are assessed by the following sectors: agriculture, business, consumer and mortgage, the outcome of which are then cascaded down to the predefined sub-buckets of loans to arrive to the PD PIT transition matrices.

Based on the estimated deviation of the historical forecasts of the selected macroeconomic parameters from the actual trends three scenarios of the forward-looking macroeconomic development are directed to the final outcome of three PD PIT transition matrices, which are weighted by 15%, 70% and 15% probabilities corresponding to the best, base and worst-case scenarios. The same weights were applied in the reporting year ended 31 December 2024.

**Exposure at default.** The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too. To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months. For Stage 2, Stage 3 and POCI financial assets, the exposure at default is considered for events over the lifetime of the instruments.

**Loss given default.** The Group uses historical information on recoveries after the default date for all defaulted loans for LGD calculation purposes. For the purposes of LGD rate calculation the initial bucketing used for PD PIT estimation is further sub-bucketed based on the type of collateral. All cash flow information is collected after the default date per LGD bucket. For recently defaulted loans the possible recoveries are evaluated based on the development factor estimated from the population of earlier defaulted loans. Any changes in the collection policy are considered in this scope. The overall recoveries are further discounted to the default point using the average effective interest rate of each LGD bucket. Cash flow information includes all kind of cash received from defaulted loans (cash received from repayment of loans, cash received from guarantor, cash received from sale of collateral, etc.).

**Significant increase in credit risk.** The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The objective criterion used by the Group is the information on overdue days of the loans. The Group concludes that there is a significant increase in credit risk of the assets, when payments related to that assets of the borrower are past due for more than 30 days.

The Group's Executive Body also considers the following factors to determine whether there is an increase in credit risk:

- Overdue days of the borrower in other financial institutions in Armenia;
- Overdue days of the predefined affiliated parties;
- Significant difficulties in the financial conditions of the borrower;
- Renegotiation of the loan terms resulting from deterioration of the borrower's financial position;
- The outcome of the financial monitoring of the borrower's activity.

### **Forward-looking information and multiple economic scenarios**

During the development of its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as:

#### **2025**

- Economic activity index, %
- Exchange rate of AMD to USD, monthly average
- Exchange rate of AMD to USD, end-year
- Volume of industrial output, annual growth %
- Volume of gross agriculture output, annual growth %
- Volume of services (excluding trade), annual growth %
- State budget of RA, deficit/ surplus, million AMD

#### **2024**

- Gross Domestic Product growth, %
- Exchange rate of AMD to USD, monthly average
- Exchange rate of AMD to USD, end-year
- Volume of industrial output, annual growth %
- Volume of gross agriculture output, annual growth %
- Volume of services (excluding trade), annual growth %
- State budget of RA, deficit/ surplus, million AMD

The Group obtains forward-looking information from third party sources (Economic Intelligence Unit, Central Bank of Armenia and Ministry of Finance of the Republic of Armenia). 15%, 70% and 15% probabilities are attributed to each of the corresponding scenarios: best case, base and the worst-case scenarios.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations as at 31 December 2025. Macro Variables Selected by Backward selection method, and every parameter is selected based on its statistical significance.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations as at 31 December 2025. This includes all possible variables tested under each scenario, encompassing the aforementioned refined subset of variables used in the final ECL models.

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Key drivers	ECL scenario	Assigned probabilities, %	2026	2027	2028
Exchange rate of AMD to USD, monthly average	Upside	15%	360.59	362.72	367.72
	Base case	70%	407.86	410	415
	Downside	15%	455.13	457.27	462.27
Volume of gross agriculture output, annual growth %	Upside	15%	7.32%	7.42%	7.42%
	Base case	70%	0.20%	0.30%	0.30%
	Downside	15%	-6.92%	-6.82%	-6.82%
State budget of RA, deficit/surplus, million AMD	Upside	15%	(428,457)	(340,157)	(283,357)
	Base case	70%	(535,400)	(447,100)	(391,300)
	Downside	15%	(642,342)	(554,042)	(498,242)
Volume of services (excluding trade), annual growth %	Upside	15%	14.80%	14.70%	14.70%
	Base case	70%	5.60%	5.50%	5.50%
	Downside	15%	-3.60%	-3.70%	-3.70%
Volume of industrial output, annual growth %	Upside	15%	7.96%	8.06%	8.06%
	Base case	70%	3.70%	3.80%	3.80%
	Downside	15%	-0.56%	-0.46%	-0.46%
Exchange rate of AMD to USD, end-year	Upside	15%	359.72	369.72	369.72
	Base case	70%	410	420	420
	Downside	15%	460.27	470.27	470.27
Economic activity index, %	Upside	15%	10.67%	10.31%	9.94%
	Base case	70%	5.71%	5.35%	4.98%
	Downside	15%	0.75%	0.39%	0.02%

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations as at 31 December 2024.

Key drivers	ECL scenario	Assigned probabilities, %	2025	2026	2027
Exchange rate of AMD to USD, monthly average	Upside	15%	349.83	382.14	372.44
	Base case	70%	377.04	437.84	456.93
	Downside	15%	404.26	463.80	487.15
Volume of gross agriculture output, annual growth %	Upside	15%	6.00%	6.60%	7.30%
	Base case	70%	0.50%	0.20%	0.30%
	Downside	15%	-5.00%	-6.20%	-6.70%
State budget of RA, deficit/surplus, million AMD	Upside	15%	(380,460)	(312,542)	(227,633)
	Base case	70%	(615,800)	(553,900)	(472,700)
	Downside	15%	(851,140)	(795,258)	(717,767)
Volume of services (excluding trade), annual growth %	Upside	15%	10.87%	11.87%	12.22%
	Base case	70%	5.30%	5.60%	5.50%
	Downside	15%	-0.27%	-0.67%	-1.22%
Volume of industrial output, annual growth %	Upside	15%	6.67%	7.03%	7.59%
	Base case	70%	4.00%	3.70%	3.80%
	Downside	15%	1.33%	0.37%	0.01%
Exchange rate of AMD to USD, end-year	Upside	15%	349.88	382.20	372.49
	Base case	70%	377.1	437.9	457
	Downside	15%	404.32	463.87	487.22
Gross Domestic Product growth, %	Upside	15%	10.43%	11.07%	11.70%
	Base case	70%	4.90%	4.60%	4.60%
	Downside	15%	-0.63%	-1.87%	-2.50%

A change in the weight assigned to base forward looking macro-economic set of assumptions by 10% towards the immediate downside level assumptions would result in an increase in ECL by AMD 51,563 thousand as at 31 December 2025 (2024: by AMD 18,238). A corresponding change towards the upside assumptions would result in a decrease in ECL by AMD 42,614 thousand as at 31 December 2025 (2024: by AMD 15,019 thousand).

A 10% increase in PD estimates would result in an increase in total expected credit loss allowances of AMD 254,653 thousand as at 31 December 2025 (2024: AMD 176,960 thousand). A 10% decrease in PD estimates would result in a decrease in total expected credit loss allowances of AMD 254,653 thousand as at 31 December 2025 (2024: AMD 176,960 thousand). A 10% increase in LGD estimates would result in an increase in total expected credit loss allowances of AMD 775,729 thousand as at 31 December 2025 (2024: AMD 495,152 thousand). A 10% decrease in LGD estimates would result in a decrease in total expected credit loss allowances of AMD 776,766 thousand as at 31 December 2025 (2024: AMD 496,544 thousand).

**Credit quality per class of financial assets.** The following table provides information on the credit quality of net loans to legal entities and individuals and receivables from finance lease as at 31 December 2025 and 31 December 2024.

2025 In thousands of Armenian Drams	Note		High grade	Standard Grade	Sub- standard Grade	Impaired	Total
<b>Loans to customers at amortized cost</b>							
	11						
Corporate loans		Stage 1	378,511	250,363,283	-	-	250,741,794
		Stage 2	-	-	2,987,518	-	2,987,518
		Stage 3	-	-	-	4,528,859	4,528,859
		POCI	-	-	-	-	-
Agricultural loans		Stage 1	210,309	87,814,481	-	-	88,024,790
		Stage 2	-	-	774,427	-	774,427
		Stage 3	-	-	-	1,471,013	1,471,013
Consumer loans		Stage 1	5,175,910	156,682,021	-	-	161,857,931
		Stage 2	13,353	-	1,430,922	-	1,444,275
		Stage 3	52,608	-	-	2,025,582	2,078,190
Credit cards		Stage 1	1,158,382	13,913,187	-	-	15,071,569
		Stage 2	6,268	-	168,250	-	174,518
		Stage 3	13,132	-	-	520,334	533,466
Mortgage loans		Stage 1	-	95,819,532	-	-	95,819,532
		Stage 2	-	-	992,587	-	992,587
		Stage 3	-	-	-	1,181,413	1,181,413
		POCI	-	-	-	1,155	1,155
Receivables from finance lease	12	Stage 1	-	101,732,074	-	-	101,732,074
		Stage 2	-	-	765,347	-	765,347
		Stage 3	-	-	-	644,406	644,406
<b>Total</b>			<b>7,008,473</b>	<b>706,324,578</b>	<b>7,119,051</b>	<b>10,372,762</b>	<b>730,824,864</b>

2024 In thousands of Armenian Drams	Note		High grade	Standard Grade	Sub- standard Grade	Impaired	Total
<b>Loans to customers at amortized cost</b>							
	11						
Corporate loans		Stage 1	153,530	214,425,112	-	-	214,578,642
		Stage 2	-	-	3,113,823	-	3,113,823
		Stage 3	2,677	-	-	3,206,559	3,209,236
		POCI	-	-	-	-	-
Agricultural loans		Stage 1	366,696	82,876,374	-	-	83,243,070
		Stage 2	-	-	834,303	-	834,303
		Stage 3	-	-	-	1,431,376	1,431,376
Consumer loans		Stage 1	4,216,812	125,403,005	-	-	129,619,817
		Stage 2	5,172	-	1,190,617	-	1,195,789
		Stage 3	33,632	-	-	2,096,008	2,129,640
Credit cards		Stage 1	1,031,049	12,353,401	-	-	13,384,450
		Stage 2	4,079	-	133,702	-	137,781
		Stage 3	9,965	-	-	342,834	352,799
Mortgage loans		Stage 1	-	79,069,484	-	-	79,069,484
		Stage 2	-	-	726,827	-	726,827
		Stage 3	-	-	-	937,653	937,653
		POCI	-	-	-	18,781	18,781
Receivables from finance lease	12	Stage 1	-	92,015,673	-	-	92,015,673
		Stage 2	-	-	654,387	-	654,387
		Stage 3	-	-	-	435,761	435,761
<b>Total</b>			<b>5,823,612</b>	<b>606,143,049</b>	<b>6,653,659</b>	<b>8,468,972</b>	<b>627,089,292</b>

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The tables below present average PDs per grades for loans to customers and receivables from finance lease under baseline scenario as of 31 December 2025 and 31 December 2024:

<b>2025</b>	<b>Grade</b>	<b>Average PD</b>
Corporate loans	Standard	0.61%
	Sub-standard	5.96%
	Impaired	100.00%
Agricultural loans	Standard	0.51%
	Sub-standard	3.91%
	Impaired	100.00%
Consumer loans	Standard	2.03%
	Sub-standard	31.37%
	Impaired	100.00%
Credit cards	Standard	1.44%
	Sub-standard	14.75%
	Impaired	100.00%
Mortgage loans	Standard	0.19%
	Sub-standard	8.77%
	Impaired	100.00%
Receivables from finance lease	Standard	0.65%
	Sub-standard	10.95%
	Impaired	100.00%

<b>2024</b>	<b>Grade</b>	<b>Average PD</b>
Corporate loans	Standard	0.78%
	Sub-standard	7.27%
	Impaired	100.00%
Agricultural loans	Standard	0.78%
	Sub-standard	4.13%
	Impaired	100.00%
Consumer loans	Standard	1.59%
	Sub-standard	21.33%
	Impaired	100.00%
Credit cards	Standard	1.17%
	Sub-standard	16.69%
	Impaired	100.00%
Mortgage loans	Standard	0.35%
	Sub-standard	9.82%
	Impaired	100.00%
Receivables from finance lease	Standard	0.88%
	Sub-standard	11.72%
	Impaired	100.00%

\* High-grade loans, backed by cash collateral, do not carry Probability of Default (PD) as no Expected Credit Loss (ECL) calculation is necessary for them. The exposure of high-grade loans as of 31 December 2025 was AMD 7,008,473 thousand (agreement amount: AMD 11,760,689 thousand, the cash collateral for these loans was AMD 12,865,325 thousand).

**Credit quality per class of financial assets.** The credit quality of financial assets below is managed by the Group based on external credit ratings. Not rated exposures are classified in Standard Grade, unless they are impaired.

As at 31 December 2025:

<i>In thousands of Armenian Drams</i>	<b>Note</b>		<b>High grade</b>	<b>Standard grade</b>	<b>Sub-standard grade</b>	<b>Total</b>
Cash and cash equivalents, except for cash on hand	7	Stage 1	21,765,815	48,182,487	568,896	<b>70,517,198</b>
Loans and advances to banks	9	Stage 1	1,078,206	91,965,988	-	<b>93,044,194</b>
Debt securities at amortised cost	10	Stage 1	-	66,111,276	-	<b>66,111,276</b>
Debt securities at FVOCI	10	Stage 1	-	3,314,315	-	<b>3,314,315</b>
<b>Total</b>			<b>22,844,021</b>	<b>209,574,066</b>	<b>568,896</b>	<b>232,986,983</b>

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As at 31 December 2024:

<i>In thousands of Armenian Drams</i>	Note		High grade	Standard grade	Sub-standard grade	Total
Cash and cash equivalents, except for cash on hand	7	Stage 1	836,549	77,442,541	927,855	<b>79,206,945</b>
Loans and advances to banks	9	Stage 1	630,373	80,916,055	-	<b>81,546,428</b>
Debt securities at amortised cost	10	Stage 1	-	45,608,635	-	<b>45,608,635</b>
Debt securities at FVOCI	10	Stage 1	-	13,265,904	-	<b>13,265,904</b>
<b>Total</b>			<b>1,466,922</b>	<b>217,233,135</b>	<b>927,855</b>	<b>219,627,912</b>

The table below shows the mapping of the Group's grading system and external ratings of the counterparties as at 31 December 2025 and 31 December 2024.

**2025**

International external rating agency (Moody's) rating	Internal rating description	PD
Aaa to A3	High grade	0-0.05%
Baa1 to B3	Standard	0.17% -3.10%
Caa1 to Ca	Sub-standard grade	8.96%
C	Impaired	100%

**2024**

International external rating agency (Moody's) rating	Internal rating description	PD
Aaa to A3	High grade	0-0.05%
Baa1 to B3	Standard	0.17% -3.15%
Caa1 to Ca	Sub-standard grade	8.94%
C	Impaired	100%

**Liquidity risk and funding management.** The Group is exposed to liquidity risk by both funding liquidity risk and trading liquidity risk. Funding liquidity risk is the risk that the Group cannot access enough liquid cash and assets to meet its obligations.

Trading liquidity risk is the risk of a loss in asset value when markets temporary seize up, and this might force a Group to accept an abnormally low price or take away the Group's ability to turn an asset into cash and funding at any price.

The stress scenarios within the Group that underlies the model and is relevant for management purposes, takes into consideration of both a Group specific stress events and a broader market crisis.

To limit funding liquidity risk, management diversifies funding sources in addition to its core deposit base. This incorporates an assessment of expected cash flows and the availability of high-grade collateral which could be used to secure additional funding if required.

To limit trading liquidity, risk the Group maintains a portfolio of highly marketable and diverse assets (high liquid assets) that can be easily liquidated in the event of an unforeseen interruption of cash inflow or cash outflow.

The Group also has committed lines of credit that it can be assessed to meet liquidity needs. In addition, the Group maintains a cash deposit (obligatory reserve) with the CBA, the amount of which depends on the level of attracted resources.

The liquidity position is assessed and managed by the Group, based on certain liquidity ratios established by the CBA. In addition to regulatory liquidity ratio the Group defines liquidity risk appetite, tolerance, capacity levels and other liquidity risk relevant limits in its' Risk Appetite Statement. For the maintaining the acceptable level of the liquidity the Group holds high liquid assets including cash, nostro accounts, debt securities issued by Government of Armenia and corporate debt securities for which there is an active and liquid market, which are not pledged or use of which is not restricted in any way. Liabilities

payable on demand include current accounts and demand deposits of customers, as well as any other liability that is payable on demand.

Based on information provided internally to key management personnel, the liquidity ratios established by the CBA were as follows: as at 31 December 2025, N2.1 "General Liquidity Ratio" (highly liquid assets / total assets) was 23.83% (2024: 25.36%). As at 31 December 2025, N2.2 "Current Liquidity Ratio" (highly liquid assets / liabilities payable on demand) was 97.55% (2024: 107.39%). The Group has complied with all externally imposed liquidity ratios throughout 2025 and 2024.

**Analysis of financial liabilities by remaining contractual maturities.** The tables below summarize the maturity profile of the Group's financial liabilities at 31 December based on contractual undiscounted repayment obligations. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that many customers will not request repayment on the earliest date the Group could be required to pay, and the table does not reflect the expected cash flows indicated by the Group's deposit retention history.

<b>As at 31 December 2025</b> <i>In thousands of Armenian Drams</i>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Financial liabilities</b>					
Deposits and balances from banks	5,576,560	-	-	-	<b>5,576,560</b>
Current accounts and deposits from customers	327,840,187	205,337,265	103,915,392	4,903,919	<b>641,996,763</b>
Debt securities issued	5,925,912	16,406,571	42,525,005	-	<b>64,857,488</b>
Subordinated loans	154,265	862,085	15,879,293	829,023	<b>17,724,666</b>
Other borrowed funds except lease liabilities	5,875,298	27,545,406	93,699,629	47,324,917	<b>174,445,250</b>
Other financial liabilities	17,810,506	-	-	-	<b>17,810,506</b>
Redemption liability	-	-	-	19,221,086	<b>19,221,086</b>
<b>Total undiscounted financial liabilities</b>	<b>363,182,728</b>	<b>250,151,327</b>	<b>256,019,319</b>	<b>72,278,945</b>	<b>941,632,319</b>
Loan and credit line commitments	39,106,267	-	-	-	<b>39,106,267</b>
Guarantees and letters of credit	57,031,566	-	-	-	<b>57,031,566</b>

<b>As at 31 December 2024</b> <i>In thousands of Armenian Drams</i>	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
<b>Financial liabilities</b>					
Deposits and balances from banks	466,357	-	-	-	<b>466,357</b>
Current accounts and deposits from customers	265,002,669	248,046,102	87,844,566	6,721,813	<b>607,615,150</b>
Debt securities issued	149,683	5,378,482	34,434,092	-	<b>39,962,257</b>
Subordinated loans	155,688	809,413	5,268,710	11,668,654	<b>17,902,465</b>
Other borrowed funds except lease liabilities	5,901,799	25,342,204	61,286,693	29,851,430	<b>122,382,126</b>
Other financial liabilities	15,548,085	-	-	-	<b>15,548,085</b>
Redemption liability	-	-	-	23,166,180	<b>23,166,180</b>
<b>Total undiscounted financial liabilities</b>	<b>287,224,281</b>	<b>279,576,201</b>	<b>188,834,061</b>	<b>71,408,077</b>	<b>827,042,620</b>
Loan and credit line commitments	35,710,592	-	-	-	<b>35,710,592</b>
Guarantees and letters of credit	37,798,854	-	-	-	<b>37,798,854</b>

In accordance with Armenia's legislation, the Bank is obliged to repay time deposits of individuals upon demand of a depositor. These deposits are classified in the table above in accordance with their stated maturity dates.

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The analysis of lease liabilities as at 31 December 2025 is as follows:

<i>In thousands of Armenian Drams</i>	<b>Not later than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 3 years</b>	<b>Between 3 and 4 years</b>	<b>Between 4 and 5 years</b>	<b>Later than 5 years</b>	<b>Total</b>
Lease liabilities	1,088,948	1,163,787	1,011,146	650,408	474,794	702,641	<b>5,091,724</b>

The analysis of lease liabilities as at 31 December 2024 is as follows:

<i>In thousands of Armenian Drams</i>	<b>Not later than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 3 years</b>	<b>Between 3 and 4 years</b>	<b>Between 4 and 5 years</b>	<b>Later than 5 years</b>	<b>Total</b>
Lease liabilities	1,006,199	776,424	693,797	569,903	282,842	688,821	<b>4,017,986</b>

The maturity analysis does not reflect the historical stability of current accounts. Their liquidation has historically taken place over a longer period than indicated in the tables above. These balances are included in amounts due in less than three months in the tables above.

**Market risk.** Market risk is the risk of potential financial losses due to changes in market prices (interest rates, commodities, credit spreads, exchange rates and equity prices) or in parameters that affect prices such as volatilities and correlations.

**Interest rate risk.** Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The following table demonstrates the sensitivity of the Group's consolidated statement of profit or loss to a reasonably possible change in interest rates, with all other variables held constant. As at 31 December the Group held non-trading financial assets and liabilities for which interest rates are determined based on floating rates. The following table demonstrates the sensitivity of net interest income due to a reasonably possible change in interest rates. The sensitivity of equity is calculated by revaluing fixed rate debt financial assets measured at FVOCI at 31 December for the effects of the assumed changes in interest rates based on the assumption that there are parallel shifts in the yield curve.

<b>Currency</b>	<b>2025</b>		
	<b>Increase/decrease in basis points</b>	<b>Sensitivity of net interest income</b>	<b>Sensitivity of equity</b>
AMD	150	717,971	717,971
USD	125	(133,146)	(133,146)
EUR	125	(16,282)	(16,282)

<b>Currency</b>	<b>2024</b>		
	<b>Increase/decrease in basis points</b>	<b>Sensitivity of net interest income</b>	<b>Sensitivity of equity</b>
AMD	150	246,445	246,445
USD	125	(135,156)	(135,156)
EUR	125	(66,144)	(66,144)

The table below shows the Group's floating rate assets exposure as at 31 December 2025.

<b>31 December 2025</b> <i>In thousands of Armenian Drams</i>	<b>Non-derivative financial assets – carrying value</b>	<b>Non-derivative financial liabilities carrying value</b>	<b>Derivatives Nominal amount</b>
EURIBOR	236,910	1,539,463	-
SOFR USD (6 months)	11,234,698	21,886,414	-
AMD T-Bill	70,699,573	22,834,864	-

The table below shows the Group's floating rate assets exposure as at 31 December 2024.

<b>31 December 2024</b> <i>In thousands of Armenian Drams</i>	<b>Non-derivative financial assets – carrying value</b>	<b>Non-derivative financial liabilities carrying value</b>	<b>Derivatives Nominal amount</b>
EURLIBOR	738,291	6,029,849	-
SOFR USD (6 months)	6,673,108	17,485,572	-
AMD T-Bill	28,139,323	11,709,636	-

**Currency risk.** Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Board has set stricter limits on positions by currency compared to the CBA regulations. Positions are monitored on a daily basis.

The tables below indicate the currencies to which the Group had significant exposure at 31 December 2025. The analysis calculates the effect on the consolidated statement of profit or loss (due to the fair value of currency sensitive monetary assets and liabilities) of a reasonably possible movement of the currency rate against AMD, with all other variables held constant. The effect on equity does not differ from the effect on the consolidated statement of profit or loss. A negative amount in the table reflects a potential net reduction of profit or loss or equity, while a positive amount reflects a net potential increase of profit or equity. The Board has set risk appetite limits on the currency and interest rate risk. The Board also approved risk appetite, risk tolerance and risk capacity limits for different IRR and FX limits.

<b>Currency</b>	<b>2025</b>		<b>2024</b>	
	<b>Change in currency rate in %</b>	<b>Effect on profit before tax</b>	<b>Change in currency rate in %</b>	<b>Effect on profit before tax</b>
USD	20.00%	-6,657,464	20.00%	(37,785)
USD	(20.00%)	6,657,464	(20.00%)	37,785
EUR	20.00%	3,152,854	20.00%	(86,348)
EUR	(20.00%)	(3,152,854)	(20.00%)	86,348

**Operational risk.** Operational risk is the risk of loss arising from systems failure, inadequate or failed internal processes, human error, fraud or external events. When controls fail, operational risks can cause reputational damage, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but the control framework and monitoring and respond to potential risks could be effective tools to manage the risks. Operational risk management in the Group operates under the Three Lines of Control model as defined in Risk Management Framework and Operational Risk Management Framework of the Group. The Group's first line of control (1st LoC) is responsible for implementing internal control and managing the risks arising from their operations. They are responsible for ensuring that business processes operate within defined risk tolerances and control mechanisms. 1st LoC includes business units and control groups. The Group's second line of control (2nd LoC) provides support and guidance during control implementation, develops risk management and compliance frameworks, and monitors their ongoing maintenance. 2nd LoC includes the following structural units of the bank: Risk Management Directorate, Compliance Division, Information Security and Cybersecurity Directorate, the AML/CFT & Sanctions Directorate. The Group's third line of control (3rd LoC) provides an independent assessment of the effectiveness of the governance, risk management, compliance, and overall internal control systems. 3rd LoC is the Internal Audit Directorate of the bank.

The operational risk management system includes the following key aspects: risk mapping, incident analysis and permanent controlling function. Controls include effective segregation of duties, access, authorization and reconciliation procedures, staff education and assessment processes.

#### **34 Fair value measurements**

**Fair value measurement procedures.** The Group's management determines policy and procedures both for regularly measuring fair value, such as unquoted trading securities at FVPL and at FVOCI, derivatives, investment property and buildings, vehicles and for non-regular measurement, such as assets held for sale.

External valuers are involved for valuation of significant assets, such as land and buildings, vehicles. Involvement of external valuers is decided by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The management, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with each relevant external source to determine whether the change is reasonable.

**Fair value hierarchy.** The Group uses the following hierarchy of fair value recognition and measurement methods to determine and disclose the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques, where all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For the purpose of fair value disclosure, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

<i>In thousands of Armenian Drams</i> At 31 December 2025	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets and liabilities measured at fair value</b>				
Financial instruments at fair value through profit or loss				
Derivative financial assets	-	35,996	-	<b>35,996</b>
Equity instruments	3,521,820	-	-	<b>3,521,820</b>
<b>Financial assets at fair value through other comprehensive income</b>				
Debt instruments	-	3,314,315	-	<b>3,314,315</b>
Equity instruments	398,796	-	-	<b>398,796</b>
Unquoted equity securities – local companies	-	-	-	-
<b>Non-financial assets</b>				
Property and equipment –land and buildings, motor vehicles	-	-	16,894,650	<b>16,894,650</b>
Assets for which fair values are disclosed				
Cash and cash equivalents	28,676,392	70,494,427	-	<b>99,170,819</b>
Loans and advances to banks	-	51,335,353	41,624,433	<b>92,959,786</b>
Debt securities at amortised cost	-	66,012,204	-	<b>66,012,204</b>
Receivables from finance leases	-	-	103,141,827	<b>103,141,827</b>
Other financial assets	-	-	16,476,284	<b>16,476,284</b>
Loans to customers	-	-	627,683,037	<b>627,683,037</b>
<b>Liabilities for which fair values are disclosed</b>				
Current accounts and deposits from customers	-	246,015,849	367,721,446	<b>613,737,295</b>
Debt securities issued	-	51,798,299	-	<b>51,798,299</b>
Deposits and balances from banks	-	672,009	4,904,551	<b>5,576,560</b>
Subordinated loans	-	-	13,152,984	<b>13,152,984</b>
Other borrowed funds	-	-	153,177,807	<b>153,177,807</b>
Redemption liability	-	-	11,191,821	<b>11,191,821</b>
Other financial liabilities	-	-	17,810,506	<b>17,810,506</b>

In thousands of Armenian Drams At 31 December 2024	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Assets and liabilities measured at fair value</b>				
Financial instruments at fair value through profit or loss				
Derivative financial assets	-	158,180	-	<b>158,180</b>
Equity instruments	3,300,159	-	-	<b>3,300,159</b>
<b>Financial assets at fair value through other comprehensive income</b>				
Debt instruments	-	12,867,997	-	<b>12,867,997</b>
Equity instruments	101,203	-	-	<b>101,203</b>
Unquoted equity securities – local companies	-	-	296,704	<b>296,704</b>
<b>Non-financial assets</b>				
Property and equipment –land and buildings, motor vehicles	-	-	14,705,407	<b>14,705,407</b>
<b>Assets for which fair values are disclosed</b>				
Cash and cash equivalents	26,853,397	79,176,672	-	<b>106,030,069</b>
Loans and advances to banks	-	34,478,757	47,003,671	<b>81,482,428</b>
Debt securities at amortised cost	-	45,542,546	-	<b>45,542,546</b>
Receivables from finance leases	-	-	93,105,821	<b>93,105,821</b>
Other financial assets	-	-	14,338,425	<b>14,338,425</b>
Loans to customers	-	-	533,983,471	<b>533,983,471</b>
<b>Liabilities for which fair values are disclosed</b>				
Current accounts and deposits from customers	-	262,448,448	320,898,044	<b>583,346,492</b>
Debt securities issued	-	39,408,576	-	<b>39,408,576</b>
Deposits and balances from banks	-	418,616	44,181	<b>462,797</b>
Subordinated loans	-	-	12,632,502	<b>12,632,502</b>
Other borrowed funds	-	-	110,883,860	<b>110,883,860</b>
Redemption liability	-	-	12,610,370	<b>12,610,370</b>
Other financial liabilities	-	-	15,548,085	<b>15,548,085</b>

**Fair value of financial assets and liabilities not carried at fair value.** The following is a comparison of the carrying amounts and fair values of the Group's financial instruments by class that are not carried at fair value in the consolidated statement of financial position. The table does not include the fair values of non-financial assets and non-financial liabilities.

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<i>In thousands of Armenian Drams</i>	2025			2024		
	Carrying Value	Fair value	Unrecog- nised gain/ (loss)	Carrying value	Fair value	Unrecog- nised gain/ (loss)
<b>Financial assets</b>						
Cash and cash equivalents	99,170,819	99,170,819	-	106,030,069	106,030,069	-
Loans and advances to banks	92,959,786	92,959,786	-	81,482,428	81,482,428	-
Investment securities – debt securities at amortised cost	66,012,204	66,814,141	(801,937)	45,542,546	45,395,619	146,927
Loans to customers	627,683,037	627,985,250	(302,213)	533,983,471	533,543,686	439,785
Receivables from finance leases	103,141,827	103,141,827	-	93,105,821	93,105,821	-
Other financial assets	16,476,284	16,476,284	-	14,338,425	14,338,425	-
<b>Financial liabilities</b>						
Current accounts and deposits from customers	613,737,295	613,378,961	358,334	583,346,492	583,346,492	-
Debt securities issued – Deposits and balances from banks	51,798,299	52,089,315	(291,016)	39,408,576	39,408,576	-
Subordinated loans	5,576,560	5,576,560	-	462,797	462,797	-
Other borrowed funds	13,152,984	13,559,352	(406,368)	12,632,502	12,283,346	349,156
Redemption liability	153,177,807	157,135,087	(3,957,280)	110,883,860	108,622,714	2,261,146
Other financial liabilities	11,191,821	11,191,821	-	12,610,370	12,610,370	-
	17,810,506	17,810,506	-	15,548,085	15,548,085	-
<b>Total unrecognised change in fair value</b>			<b>(5,400,480)</b>			<b>3,197,014</b>

As of 31 December 2025, the estimated fair values of all financial instruments, except for loans to customers, investment securities at amortised cost, other borrowed funds, and subordinated loans, deposits from customers, debt securities issued are considered to approximate their carrying values.

As of 31 December 2025 and 2024, the Group had outstanding borrowings from the Central Bank of Armenia, denominated in AMD, with nominal interest rates ranging from 4% to 8.5%. These loans are considered part of a distinct market segment, and the Group assesses that the loans were obtained at market rates.

The following assumptions are used by management to estimate the fair values of investment securities measured at amortised cost: interest rates between 6.74% and 12.89% for securities denominated in AMD, and between 5.28% and 8.67% for securities denominated in foreign currency. The estimated fair values of loans to customers are considered to approximate their carrying amounts, with the presentation of assets at market prices that differ significantly from the market prices minimizing the discrepancy. The following assumptions are used by management to estimate the fair values of loans to customers: discount rates ranging from 12.5% to 16.6% (2024: 12.7% to 16.3%) for loans denominated in Armenian drams, and 9.2% to 10.4% (2024: 10.4% to 11.5%) for loans denominated in foreign currency, applied to discount future cash flows from loans and advances to customers.

The following assumptions are used by management to estimate the fair values of other borrowed funds and subordinated borrowings: interest rates ranging from 10.37% for funds denominated in AMD, and from 5.05% to 9.24% for funds denominated in foreign currency.

**Valuation techniques and assumptions.** The following describes the methodologies and assumptions used to determine fair values for assets and liabilities recorded at fair value in the consolidated financial statements and those items that are not measured at fair value in the consolidated statement of financial position, but whose fair value is disclosed.

*Assets for which fair value is close to the carrying value*

For high liquid or short term (less than three months) financial assets and liabilities, it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

*Fair value measurement of non-financial assets*

Fair value of the properties was determined by using market comparable method. The estimated fair values of the land and buildings are categorized within Level 3 of the fair value hierarchy. This means that valuations made by the valuer are based on market transaction prices, with significant adjustments to take into account the nature, location or condition of the specific property. The fair values of those assets are estimated based on appraisals made by independent, professionally qualified property valuers who hold necessary licenses. The significant inputs and assumptions are developed in close consultation with management. Further information is set out below.

*Land and Buildings*

The fair values of the office land and buildings are estimated using income and market approaches. The income approach has been applied capitalizing the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions for similar properties. When actual rent differs materially from the estimated rents, adjustments are made to the estimated rental value. The estimated rental stream takes into account current occupancy level, the terms of in-place leases and expectations for rentals from future leases over the remaining economic life of the buildings.

The most significant inputs, none of which are observable, are the estimated rental value, assumptions about vacancy levels and the discount rate. The estimated fair value increases if the estimated rent increases, vacancy levels decline or if the discount rate (market yields) declines. The overall valuations are sensitive to all three assumptions. Management considers that the range of reasonably possible alternative assumptions is the greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

The market approach reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the property, including size, location, constructional-engineering features of the building, technical (physical) condition, encumbrances, and purpose of use.

The significant unobservable input is the adjustment for factors specific to the property in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is subjective judgment, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

The fair value of buildings is categorized into Level 3 of the fair value hierarchy, because of significant unobservable adjustments (coefficients) to observable inputs to the valuation technique used. According to the Bank's accounting policy, properties subject to valuation are revaluated once in 3 years if there are no significant deviations in the market.

**Derivatives.** Derivatives that are valued using market observable inputs are mainly interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

**Financial assets at fair value through other comprehensive income.** Investment securities measured at fair value through other comprehensive income, measured using a valuation technique or pricing models, primarily consist of Armenian Government bonds. These securities are valued using a yield curve which incorporates market observable data and data published by the CBA.

**35 Maturity analysis of assets and liabilities**

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled.

See Note 33 Risk management for the Group's contractual undiscounted repayment obligations.

<i>In thousands of Armenian Drams</i>	<b>2025</b>			<b>2024</b>		
	<b>Within one year</b>	<b>More than one year</b>	<b>Total</b>	<b>Within one year</b>	<b>More than one year</b>	<b>Total</b>
Cash and cash equivalents	99,170,819	-	<b>99,170,819</b>	106,030,069	-	<b>106,030,069</b>
Derivative financial assets	35,996	-	<b>35,996</b>	158,180	-	<b>158,180</b>
Loans and advances to banks	92,959,786	-	<b>92,959,786</b>	40,970,224	40,512,204	<b>81,482,428</b>
Investment securities	43,886,699	29,360,436	<b>73,247,135</b>	32,252,658	29,855,951	<b>62,108,609</b>
Loans to customers	187,972,424	439,710,613	<b>627,683,037</b>	173,626,601	360,356,870	<b>533,983,471</b>
Receivables from finance leases	41,045,305	62,096,522	<b>103,141,827</b>	30,520,026	62,585,795	<b>93,105,821</b>
Investments in associates	-	2,592,986	<b>2,592,986</b>	-	2,044,092	<b>2,044,092</b>
Property, equipment, and intangible assets	-	48,301,270	<b>48,301,270</b>	-	38,433,963	<b>38,433,963</b>
Other financial assets	16,476,284	-	<b>16,476,284</b>	14,338,425	-	<b>14,338,425</b>
<b>Total</b>	<b>481,547,313</b>	<b>582,061,827</b>	<b>1,063,609,140</b>	<b>397,896,183</b>	<b>533,788,875</b>	<b>931,685,058</b>

<i>In thousands of Armenian Drams</i>	<b>2025</b>			<b>2024</b>		
	<b>Within one year</b>	<b>More than one year</b>	<b>Total</b>	<b>Within one year</b>	<b>More than one year</b>	<b>Total</b>
Deposits and balances from banks	5,576,560	-	<b>5,576,560</b>	462,797	-	<b>462,797</b>
Derivative financial liabilities	267,508	-	<b>267,508</b>	-	-	<b>-</b>
Current accounts and deposits from customers	517,051,883	96,685,412	<b>613,737,295</b>	497,367,359	85,979,133	<b>583,346,492</b>
Debt securities issued	19,429,762	32,368,537	<b>51,798,299</b>	5,524,007	33,884,569	<b>39,408,576</b>
Other borrowed funds	28,060,264	125,117,543	<b>153,177,807</b>	27,588,736	83,295,124	<b>110,883,860</b>
Subordinated loans	114,532	13,038,452	<b>13,152,984</b>	110,838	12,521,664	<b>12,632,502</b>
Current income tax liabilities	4,602,577	-	<b>4,602,577</b>	3,315,430	-	<b>3,315,430</b>
Deferred tax liabilities	-	1,556,734	<b>1,556,734</b>	-	505,767	<b>505,767</b>
Redemption liability	-	11,191,821	<b>11,191,821</b>	-	12,610,370	<b>12,610,370</b>
Other financial liabilities	17,810,506	-	<b>17,810,506</b>	15,548,085	-	<b>15,548,085</b>
<b>Total</b>	<b>592,913,592</b>	<b>279,958,499</b>	<b>872,872,091</b>	<b>549,917,252</b>	<b>228,796,627</b>	<b>778,713,879</b>
<b>Net</b>	<b>(111,366,279)</b>	<b>302,103,328</b>	<b>190,737,049</b>	<b>(152,021,069)</b>	<b>304,992,248</b>	<b>152,971,179</b>

The maturity analysis does not reflect the historical stability of current accounts and deposits from customers. Their liquidation has historically taken place over a longer period than indicated in the tables above. These balances are included in amounts within one year in the tables above.

In accordance with the Armenian legislation, Group is obliged to repay deposits upon demand of a depositor. Refer to Note 18.

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**Notes to Consolidated financial statements - 31 December 2025**

The table below shows an analysis, by maturity, of the amounts recognised in the Consolidated Statement of Financial Position as at 31 December 2025:

<b>31 December 2025</b> <i>In thousands of Armenian Drams</i>	<b>Non-performing/ overdue</b>	<b>Overdue</b>	<b>Demand and up to 1 month</b>	<b>From 1 to 3 months</b>	<b>From 3 to 12 months</b>	<b>From 1 to 5 years</b>	<b>More than 5 years</b>	<b>No term</b>	<b>Total</b>
<b>Financial assets</b>									
Cash and cash equivalents			99,170,819						<b>99,170,819</b>
Derivative financial assets			35,996						<b>35,996</b>
Loans and advances to banks			38,409,626	-	-	-	-	54,550,160	<b>92,959,786</b>
Investment securities			2,507,671	2,580,464	38,798,565	12,184,544	13,654,071	3,521,820	<b>73,247,135</b>
Loans to customers	859,733	11,008,027	13,249,891	34,422,129	128,432,643	286,156,085	153,554,529	-	<b>627,683,037</b>
Receivables from finance leases	86,196	928,308	5,101,645	6,757,275	28,171,880	55,795,076	6,301,447	-	<b>103,141,827</b>
Other financial assets	-	-	-	16,476,284	-	-	-	-	<b>16,476,284</b>
<b>Total</b>	<b>945,929</b>	<b>11,936,335</b>	<b>158,475,648</b>	<b>60,236,152</b>	<b>195,403,088</b>	<b>354,135,705</b>	<b>173,510,047</b>	<b>58,071,980</b>	<b>1,012,714,884</b>
<b>Financial liabilities</b>									
Deposits and balances from banks			5,576,560	-	-	-	-	-	<b>5,576,560</b>
Derivative financial liabilities			267,508	-	-	-	-	-	<b>267,508</b>
Current accounts and deposits from customers			266,835,735	56,913,202	193,302,946	93,760,407	2,925,005	-	<b>613,737,295</b>
Debt securities issued –domestic bonds issued			-	5,608,181	13,821,581	32,368,537	-	-	<b>51,798,299</b>
Other borrowed funds			2,593,309	2,517,725	22,949,229	79,982,745	45,134,799	-	<b>153,177,807</b>
Redemption liability			-	-	-	11,191,821	-	-	<b>11,191,821</b>
Other financial liabilities			-	17,810,506	-	-	-	-	<b>17,810,506</b>
Subordinated loans			-	75,127	39,405	12,286,131	752,321	-	<b>13,152,984</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>275,273,112</b>	<b>82,924,741</b>	<b>230,113,161</b>	<b>229,589,641</b>	<b>48,812,125</b>	<b>-</b>	<b>866,712,780</b>
<b>Net liquidity gap</b>	<b>945,929</b>	<b>11,936,335</b>	<b>(116,797,464)</b>	<b>(22,688,589)</b>	<b>(34,710,073)</b>	<b>124,546,064</b>	<b>124,697,922</b>	<b>58,071,980</b>	<b>146,002,104</b>
<b>Cumulative liquidity gap</b>			<b>(103,915,200)</b>	<b>(126,603,789)</b>	<b>(161,313,862)</b>	<b>(36,767,798)</b>	<b>87,930,124</b>	<b>146,002,104</b>	

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**Notes to Consolidated financial statements - 31 December 2025**

The table below shows an analysis, by maturity, of the amounts recognised in the Consolidated Statement of Financial Position as at 31 December 2024:

<b>31 December 2024</b> <i>In thousands of Armenian Drams</i>	<b>Non- performing/ overdue</b>	<b>Overdue</b>	<b>Demand and up to 1 month</b>	<b>From 1 to 3 months</b>	<b>From 3 to 12 months</b>	<b>From 1 to 5 years</b>	<b>More than 5 years</b>	<b>No term</b>	<b>Total</b>
<b>Financial assets</b>									
Cash and cash equivalents	-	-	106,030,069	-	-	-	-	-	<b>106,030,069</b>
Derivative financial assets	-	-	158,180	-	-	-	-	-	<b>158,180</b>
Loans and advances to banks	-	-	40,970,224	-	-	2,012,814	-	38,499,390	<b>81,482,428</b>
Investment securities	-	-	4,146,867	15,455,860	12,649,931	17,515,377	10,840,130	1,500,444	<b>62,108,609</b>
Loans to customers	1,023,795	8,557,096	11,302,579	30,064,541	122,678,590	223,029,067	137,327,803	-	<b>533,983,471</b>
Receivables from finance leases	41,286	371,276	4,510,471	5,773,971	19,823,022	56,897,498	5,688,297	-	<b>93,105,821</b>
Other financial assets	-	-	<b>14,338,425</b>	-	-	-	-	-	<b>14,338,425</b>
<b>Total</b>	<b>1,065,081</b>	<b>8,928,372</b>	<b>181,456,815</b>	<b>51,294,372</b>	<b>155,151,543</b>	<b>299,454,756</b>	<b>153,856,230</b>	<b>39,999,834</b>	<b>891,207,003</b>
<b>Financial liabilities</b>									
Deposits and balances from banks	-	-	462,797	-	-	-	-	-	<b>462,797</b>
Current accounts and deposits from customers	-	-	263,139,900	43,154,555	191,072,904	81,534,015	4,445,118	-	<b>583,346,492</b>
Debt securities issued – domestic bonds issued	-	-	-	145,525	5,378,482	33,884,569	-	-	<b>39,408,576</b>
Other borrowed funds	-	-	2,259,998	3,838,338	21,490,400	54,919,994	28,375,130	-	<b>110,883,860</b>
Other financial liabilities	-	-	10,584,935	-	4,963,150	-	-	-	<b>15,548,085</b>
Redemption liability	-	-	-	-	-	-	12,610,370	-	<b>12,610,370</b>
Subordinated loans	-	-	-	76,816	34,022	1,655,560	10,866,104	-	<b>12,632,502</b>
<b>Total</b>			<b>276,447,630</b>	<b>47,215,234</b>	<b>222,938,958</b>	<b>171,994,138</b>	<b>56,296,722</b>	-	<b>774,892,682</b>
<b>Net liquidity gap</b>	<b>1,065,081</b>	<b>8,928,372</b>	<b>(94,990,815)</b>	<b>4,079,138</b>	<b>(67,787,415)</b>	<b>127,460,618</b>	<b>97,559,508</b>	<b>39,999,834</b>	<b>116,314,321</b>
<b>Cumulative liquidity gap</b>			<b>(84,997,362)</b>	<b>(80,918,224)</b>	<b>(148,705,639)</b>	<b>(21,245,021)</b>	<b>76,314,487</b>	<b>116,314,321</b>	

**36 Related party disclosures**

In accordance with IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

The outstanding balances of related party transactions are as follows:

<i>In thousands of Armenian Drams</i>	2025			2024		
	Key management personnel and their close family members	Other RP	Associates	Key management personnel and their close family members	Other RP	Associates
<b>Loans outstanding at 1 January, gross</b>	1,778,166	-	-	1,209,450	-	-
Loans issued during the year	1,331,225	-	-	1,890,464	-	-
Loan repayments during the year	(609,425)	-	-	(1,328,139)	-	-
Other movements	(2,240)	-	-	6,390	-	-
<b>Loans outstanding at 31 December, gross</b>	<b>2,497,726</b>	-	-	<b>1,778,166</b>	-	-
Less: allowance for impairment at 31 December	(21,523)	-	-	(6,733)	-	-
<b>Loans outstanding at 31 December, net</b>	<b>2,476,203</b>	-	-	<b>1,771,433</b>	-	-
Weighted average effective interest rate for loans	7.9%	-	-	7.2%	-	-
<b>Current accounts and deposits at 1 January</b>	<b>1,504,560</b>	-	2,676,335	<b>1,677,172</b>	-	2,152,010
Current accounts and deposits received during the year	4,955,384	-	3,266,631	4,495,254	-	12,030,829
Current accounts and deposits repaid during the year	(3,547,469)	-	(2,366,881)	(4,616,094)	-	(11,506,504)
Other movements	(37,452)	-	207	(51,772)	-	-
<b>Current accounts and deposits at 31 December</b>	<b>2,875,023</b>	-	<b>3,576,292</b>	<b>1,504,560</b>	-	<b>2,676,335</b>
<b>Redemption liability at 1 January</b>	-	<b>10,093,854</b>	-	-	-	-
Increase from initial recognition	-	-	-	-	10,054,641	-
Other movements	-	1,097,967	-	-	39,213	-
<b>Redemption liability at 31 December</b>	-	<b>11,191,821</b>	-	-	<b>10,093,854</b>	-

The balances from transactions with related parties include loans with maturity from 2026 till 2039 and with interest rate from 2% to 22%, the weighted average effective rate is 8.35%.

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The income and expense arising from related party transactions are as follows:

<i>In thousands of Armenian Drams</i>	<b>For the year ended 31 December 2025</b>			<b>For the year ended 31 December 2024</b>		
	<b>Key management personnel and their close family members</b>	<b>Other RP</b>	<b>Associates</b>	<b>Key management personnel and their close family members</b>	<b>Other RP</b>	<b>Associates</b>
Interest income on loans	153,470	-	-	86,190	-	-
Interest expense on Redemption liability	-	1,097,967	-	-	39,213	-
Interest expense on deposits	214,864	-	198,382	186,224	-	209,513

Compensation of key management personnel was comprised of the following:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Salaries	1,615,408	1,430,080
Short-term benefits	1,610,195	1,506,260
<b>Total key management personnel compensation</b>	<b>3,225,603</b>	<b>2,936,340</b>

### **37 Investments in associates**

The Group has an interest in Amundi-Acba Asset management CJSC where the Group owns 49% of shares (31 December 2024: 49%). The associate of the Group was incorporated in 2013 and is regulated by the legislation of the Republic of Armenia. The principal activity of the associate is the management of mandatory pension funds. The associate's activities are supervised by the Central Bank of Armenia. As at 31 December 2025 the carrying value of the investment comprised AMD 2,592,986 thousand (2024: AMD 2,044,092 thousand).

The summarised financial information of material associates is presented below

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash and cash equivalents	40,391	81,744
Amounts due from financial institutions	3,564,257	2,588,590
Financial assets at fair value through other comprehensive income	1,925,643	1,685,666
Property, equipment and intangible assets	110,738	140,635
Right-of-use assets	35,620	57,851
Deferred tax asset	30,482	25,033
Other assets	616,030	449,032
<b>Total assets</b>	<b>6,323,161</b>	<b>5,028,551</b>
<b>Liabilities</b>		
Lease liability	45,449	70,883
Income tax payables	665,431	500,857
Payables and accrued expenses	320,472	285,194
<b>Total liabilities</b>	<b>1,031,352</b>	<b>856,934</b>
<b>Net assets</b>	<b>5,291,809</b>	<b>4,171,617</b>
<b>Group's share in net assets</b>	<b>2,592,986</b>	<b>2,044,092</b>

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<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
Income from management fees	6,133,132	4,654,586
Interest income	212,640	167,233
Income from financial advisory	10,743	9,933
Other income	5,033	2,506
Net loss from foreign currency transactions	(12,925)	(7,628)
Interest expense on lease liabilities	(7,551)	(8,922)
Staff costs	(504,549)	(410,872)
Fees and commission expenses	(824,440)	(642,765)
Administrative and other expenses	(853,091)	(714,192)
<b>Profit before income tax</b>	<b>4,158,992</b>	<b>3,049,879</b>
Income tax expense	(774,661)	(576,639)
<b>Profit for the year</b>	<b>3,384,331</b>	<b>2,473,240</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Unrealised gain/(loss)s on investments measured at FVOCI	209,100	155,125
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>209,100</b>	<b>155,125</b>
<b>Profit and total comprehensive income for the year</b>	<b>3,593,431</b>	<b>2,628,365</b>

The Group's share of profit or loss and other comprehensive income of the associate is as follows:

<i>In thousands of Armenian Drams</i>	<b>2025</b>	<b>2024</b>
<b>Profit for the year</b>	<b>1,658,322</b>	<b>1,211,887</b>
Other comprehensive income/(loss)	102,459	76,011
<b>Total comprehensive income for the year</b>	<b>1,760,781</b>	<b>1,287,898</b>

The Group received dividends in amount of AMD 1,211,887 thousand for the year ended 31 December 2025 (2024: AMD 1,019,336 thousand).

### 38 Changes in liabilities arising from financing activities

<i>In thousands of Armenian Drams</i>	<b>Note</b>	<b>Debt securities issued</b>	<b>Other borrowed funds</b>	<b>Subordinated loans</b>	<b>Total liabilities from financing activities</b>
<b>Carrying amount at 31 December 2023</b>	<b>19, 20, 21</b>	<b>21,087,118</b>	<b>95,125,094</b>	<b>12,661,577</b>	<b>128,873,789</b>
Proceeds from issue		18,438,324	50,390,846	703,613	<b>69,532,783</b>
Redemption		(137,535)	(35,940,115)	(3,957)	<b>(36,081,607)</b>
Interest paid		(2,307,642)	(6,879,233)	(1,831,275)	<b>(11,018,150)</b>
Non-cash transactions					-
Foreign currency translation		17,444	(775,278)	(728,731)	<b>(1,486,565)</b>
Lease liabilities (IFRS 16)		-	2,458,908		<b>2,458,908</b>
Interest expense		2,310,867	6,503,638	1,831,275	<b>10,645,780</b>
<b>Carrying amount at 31 December 2024</b>	<b>19, 20, 21</b>	<b>39,408,576</b>	<b>110,883,860</b>	<b>12,632,502</b>	<b>162,924,938</b>
Proceeds from issue		17,250,800	72,873,718	-	<b>90,124,518</b>
Redemption		(4,380,205)	(31,001,968)	-	<b>(35,382,173)</b>
Interest paid		(4,064,448)	(9,999,835)	(929,610)	<b>(14,993,893)</b>
Non-cash transactions					-
Foreign currency translation		(488,458)	(423,537)	520,481	<b>(391,514)</b>
Lease liabilities (IFRS 16)		-	1,391,461		<b>1,391,461</b>
Interest expense		4,072,034	9,454,108	929,611	<b>14,455,753</b>
<b>Carrying amount at 31 December 2025</b>	<b>19, 20, 21</b>	<b>51,798,299</b>	<b>153,177,807</b>	<b>13,152,984</b>	<b>218,129,090</b>

The Group classifies interest paid as cash flows from operating activities.

**39 Offsetting financial assets and financial liabilities**

Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2025:

Types of financial assets/liabilities <i>In thousands of Armenian Drams</i>	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		Net amount of exposure
				<i>Financial instruments</i>	<i>Cash collateral received</i>	
<b>ASSETS</b>						
Derivative financial assets						
Interest rate swap	17,402	(312)	17,090	17,090	-	-
Currency swap	18,906	-	18,906	18,906	-	-
Investment securities						
<b>Loans and advances to banks</b>						
Reverse sale and repurchase agreements with other banks	34,619,241	-	34,619,241	34,619,241	-	-
<b>Loans to customers</b>						
Reverse sale and repurchase agreements	6,176,131	-	6,176,131	6,176,131	-	-
<b>Total assets subject to offsetting, master netting and similar arrangement</b>	<b>40,831,680</b>	<b>(312)</b>	<b>40,831,368</b>	<b>40,831,368</b>	-	-
<b>LIABILITIES</b>						
Deposits and balances from banks						
<b>Total liabilities subject to offsetting, master netting and similar arrangement</b>	-	-	-	-	-	-

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Financial instruments subject to offsetting, enforceable master netting and similar arrangements are as follows at 31 December 2024:

Types of financial assets/liabilities <i>In thousands of Armenian Drams</i>	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position		Net amount of exposure
				<i>Financial instruments</i>	<i>Cash collateral received</i>	
<b>ASSETS</b>						
Derivative financial assets						
Interest rate swap	83,236	(1,736)	81,500	81,500	-	-
Currency swap	76,680	-	76,680	76,680	-	-
Investment securities						
<b>Loans and advances to banks</b>						
Reverse sale and repurchase agreements with other banks	38,747,711	-	38,747,711	38,747,711	-	-
<b>Loans to customers</b>						
Reverse sale and repurchase agreements	7,616,833	-	7,616,833	7,616,833	-	-
<b>Total assets subject to offsetting, master netting and similar arrangement</b>	<b>46,524,460</b>	<b>(1,736)</b>	<b>46,522,724</b>	<b>46,522,724</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>						
Deposits and balances from banks						
Sale and repurchase agreements with other banks	-	-	-	-	-	-
<b>Total liabilities subject to offsetting, master netting and similar arrangement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### **40 Management of capital**

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

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, or issue shares. No changes were made in the objectives, policies and processes from the previous year.

The Central Bank of Armenia sets and monitors capital requirements for the Bank. The Group defines capital those items defined by statutory regulation as capital for credit institutions. Under the current capital requirements set by the Central Bank of Armenia, which are based on Basle Accord principles, banks have to maintain a ratio of capital to risk weighted assets (statutory capital ratio) above the prescribed minimum level. Based on information provided internally to key management personnel, the amount of capital that the Group managed was AMD 210,337,162 thousand as of 31 December 2025 (2024: AMD 177,145,472 thousand), regulatory Tier 1 capital amounts to AMD 175,840,275 thousand (2024: AMD 141,555,340 thousand), total regulatory capital amounts to AMD 199,097,798 thousand (2024: AMD 161,023,841 thousand) and the Group and the Bank have complied with all externally imposed capital requirements throughout 2025 and 2024.

#### **41 Events after the reporting date**

From 15 January 2026 the Group commenced the placement of bonds through a public offering, denominated in Armenian drams with a nominal value of AMD 10,000,000,000 (ten billion) and in U.S. dollars with a nominal value of USD 10,000,000 (ten million), bearing coupon interest rates of 10.5% and 5.5%, respectively. The bonds have a maturity of 60 months. From 23 February 2026, the Group commenced the placement of bonds through a public offering, denominated in Armenian drams with a nominal value of AMD 10,000,000,000 (ten billion), bearing coupon interest rate of 10.25 %. The bonds have a maturity of 60 months. The entire amount of the bonds has been placed.

There are no other significant events that occurred after the reporting period or as of the report's date that should be disclosed in this document.

#### **42 Key terms explained**

<b>Abbreviation</b>	<b>Definition</b>
<b>IFRS</b>	International Financial Reporting Standards
<b>IASB</b>	International Accounting Standards Board
<b>ISAs</b>	International Standards on Auditing
<b>CBA</b>	Central Bank of Armenia
<b>IPO</b>	Initial Public Offering
<b>ECL</b>	Expected credit loss
<b>PD</b>	Probability of default
<b>LGD</b>	Loss given default
<b>FVTPL</b>	Financial instruments at fair value through profit or loss
<b>FVOCI</b>	Fair value through other comprehensive income
<b>POCI</b>	Purchased or originated credit-impaired
<b>EAD</b>	Exposure at default
<b>SOFR</b>	Secured Overnight Financing Rate
<b>LIBOR</b>	London Interbank Offered Rate
<b>EURIBOR</b>	Euro Interbank Offer Rate
<b>SICR</b>	Significant Increase in Credit Risk
<b>PIT</b>	Point in time
<b>EIR</b>	Effective Interest Rate
<b>IRR</b>	Internal Rate of Return
<b>FX</b>	Foreign Exchange
<b>SPPI</b>	Solely Payments of Principal and Interest