"APRICOT CAPITAL" Closed Joint Stock Company

Financial Statements and
Independent Auditor's Report
For the year ended 31 December 2025

Disclaimer

The attached report was originally prepared in Armenian and then translated into English for the convenience of readers. In the event of any differences between the English and Armenian versions, the Armenian will prevail.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of "Apricot Capital" Closed Joint Stock Company

Opinion

We have audited the financial statements of "Apricot Capital" Closed Joint Stock Company (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, comprising material accounting policies and other explanatory information..

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

Basis for Opinion

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

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including the International Standards on Independence) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements relevant to the audit of financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the aforementioned code.

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guaranty that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Partner responsible for the implementation of the audit, which is the basis for the submission of this Independent Auditor's Report, is:

29 April 2026

"BDO Armenia" CJSC

Davit Yedigaryan, FCCA
Engagement Partner

Vahagn Sahakyan, FCCA
Managing Partner

Statement of profit or loss and other comprehensive income

In thousand AMD	Note	2025	2024
Interest income calculated using the effective interest rate method	5	469,574	340,272
Interest expense	5	(9,665)	(18,586)
Net interest income		**459,909**	**321,686**
Fee and commission income	6	5,343,846	23,596,982
Fee and commission expense	6	(1,417,586)	(3,735,839)
Net fee and commission income		**3,926,260**	**19,861,143**
Net trading income	7	2,968,945	3,006,836
Net loss on foreign exchange translation of non-trading assets and liabilities		(481,844)	(543,427)
Dividend income	8	109,548	13,841
Other operating income	9	252	50
Net operating income		**6,983,070**	**22,660,129**
(Credit loss expense) reversal of credit loss expense	10	(9,309)	(27,135)
Personnel expenses	11	(5,673,446)	(15,401,593)
Other expenses	12	(668,087)	(553,342)
Profit before tax		**632,228**	**6,678,059**
Income tax expense	13	(187,082)	(1,295,433)
Profit for the year		**445,146**	**5,382,626**
Total comprehensive income for the year		**445,146**	**5,382,626**

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes on pages 12 to 53, which form an integral part of these financial statements.

Statement of financial position

In thousand AMD	Note	31 December 2025	31 December 2024
Assets			
Cash and cash equivalents	14	4,614,838	6,828,358
Amounts due from financial institutions	15	4,970,507	7,004,925
Amounts due from customers	16	40,932	432,292
Securities at fair value through profit or loss	17	5,892,288	7,046,984
Borrowings provided	18	2,623,082	1,268,986
Property, equipment and intangible assets	19	100,170	85,894
Right-of-use assets	19.1	42,874	25,761
Deferred tax assets	13	49,897	128,559
Other assets	20	63,024	30,960
Total assets		**18,397,612**	**22,852,719**
Liabilities and equity			
Liabilities			
Liabilities to financial organizations	21	2,553,892	1,956,300
Liabilities to other entities	22	1,270,563	4,977,299
Current income tax liability		-	825,557
Provisions	23	75,420	530,801
Lease liabilities	19.1	44,924	24,185
Other liabilities	24	236,866	832,019
Total liabilities		**4,181,665**	**9,146,161**

Statement of financial position (continued)

In thousand AMD	Note	31 December 2025	31 December 2024
Equity			
Share capital	25	320,000	320,000
Retained earnings		13,895,947	13,386,558
Total equity		**14,215,947**	**13,706,558**
Total liabilities and equity		**18,397,612**	**22,852,719**

The financial statements were signed on April 29, 2026.

Vachik Gevorgyan
Executive Director

Artur Harutunyan
Chief Accountant
(Representative of "Nexia Armenia" CJSC)

The statement of financial position should be read in conjunction with the accompanying notes on pages 12 to 53, which form an integral part of these financial statements.

Statement of changes in equity

In thousand AMD	Share Capital	Retained earnings	Total
Balance at 1 January 2025	**320,000**	**13,386,558**	**13,706,558**
Profit for the year	-	445,146	445,146
Total comprehensive income for the year	**-**	**445,146**	**445,146**
Adjustment to fair value of borrowing provided to shareholder	-	64,243	64,243
Total transactions with owners	**-**	**64,243**	**64,243**
Balance at 31 December 2025	**320,000**	**13,895,947**	**14,215,947**
Balance at 1 January 2024	**320,000**	**8,150,616**	**8,470,616**
Profit for the year	-	5,382,626	5,382,626
Total comprehensive income for the year	**-**	**5,382,626**	**5,382,626**
Adjustment to fair value of borrowing provided to shareholder	-	(146,684)	(146,684)
Total transactions with owners	**-**	**(146,684)**	**(146,684)**
Balance at 31 December 2024	**320,000**	**13,386,558**	**13,706,558**

The statement of changes in equity should be read in conjunction with the accompanying notes on pages 12 to 52, which form an integral part of these financial statements.

Statement of cash flows

In thousand AMD	2025	2024
Cash flows from operating activities		
Interest received	705,117	366,190
Interest paid	(3,930)	(14,525)
Fee and commission received	5,247,659	23,504,618
Fee and commission paid	(1,426,014)	(3,735,839)
Gain on financial assets at fair value remeasured through profit/loss	657,632	3,612,559
Gain/(loss) on foreign currency trading	1,941,734	(591,882)
Net proceeds from foreign exchange transactions	4,159,227	-
Salaries and related expenses paid	(6,611,611)	(14,539,163)
Other income from operating activities and other expenses paid	(491,827)	(1,456,585)
Cash flows before changes in operating assets and liabilities	**4,177,987**	**7,145,373**
(Increase) decrease in operating assets		
Decrease/(increase) in amounts due from customers	2,385,063	(2,246,236)
Increase in financial assets at fair value remeasured through profit/loss	(321,152)	(5,695,738)
(Increase)/decrease in other operating assets	(73,232)	2,053,790
Increase (decrease) in operating liabilities		
Decrease in amounts due to customers	(3,424,742)	(640,144)
Increase in other operating liabilities	3,112	18,141
Net cash flows from operating activities before income tax	**2,747,036**	**635,186**
Income tax paid	(1,010,351)	(1,612,612)
Net cash flows from operating activities	**1,736,685**	**(977,426)**

Statement of cash flows (continued)

In thousand AMD

	2025	2024
Cash flows from investing activities		
Increase in deposits placed with banks	(8,498)	(1,425,914)
Acquisition of property, equipment and intangible assets	(52,706)	(15,455)
Net cash flows from other investing activities	-	-
Net cash flows from investing activities	**(61,204)**	**(1,441,369)**
Cash flows from financing activities		
Net increase in borrowings received	105	-
Repayment of lease liabilities	(45,336)	(33,600)
Net cash flows from financing activities	**(45,231)**	**(33,600)**
Net increase in cash and cash equivalents	**1,630,250**	**(2,452,395)**
Cash and cash equivalents at the beginning of the year	6,828,358	9,063,116
Effect of changes in ECL provisions on cash	1,265	(233)
Effect of exchange rate fluctuations on cash and cash equivalents	(3,845,035)	217,870
Cash and cash equivalents at the end of the year (Note 14)	**4,614,838**	**6,828,358**

The statement of cash flows should be read in conjunction with the accompanying notes on pages 12 to 52, which form an integral part of these financial statements.

"APRICOT CAPITAL" Closed Joint Stock Company

Notes to Financial Statements (in thousands of Armenian drams (AMD))

For the year ended 31 December 2025

1 Nature of Operations

“Apricot Capital” CJSC operates in the securities and foreign exchange markets. In particular, it conducts transactions with securities on its own behalf or on behalf of a client and at the expense of a client, provides brokerage and dealer services, asset management and consulting services.

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

"Apricot Capital" CJSC (hereinafter “ the Company”) is a closed joint-stock company, which operates under the legislation of the Republic of Armenia ("RA"). The Company was registered on July 7, 2022 by the Decision No. 126 A of the RA Central Bank’s ("CBRA") Board and was granted a license to provide investment services.

The Company is the manager of the following four investment funds:

- "Safe Strategy" closed, contractual non-public investment fund - established by the decision of the Board of the Central Bank of the Republic of Armenia No. 13 A dated 07.02.2023,
- "Development Strategy" closed-end, contractual non-public investment fund - established by the decision of the Board of the Central Bank of the Republic of Armenia No. 159 A dated 22.09.2023,
- "APRICOT IG BONDS" closed-end, contractual non-public investment fund - established by decision of the Board of the Central Bank of the Republic of Armenia No. 222 A dated 12.12.2023,
- "Y-Global" closed-end, contractual non-public investment fund - established by decision of the Board of the Central Bank of the Republic of Armenia No. 98 A dated 14.06.2024, and is the fund manager.

The Company's head office is located in Yerevan. The Company's legal address is: RA, 0010, Yerevan, V. Sargsyan 10 Building, Piazza Grande Business Center.

As of December 31, 2025, the Company had 46 (2024: 39) employees.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (IASB), and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

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

Business environment

The Company’s operations are located in Armenia. Consequently, the Company is exposed to the effects of changes of economic and financial markets of Armenia.

The legal, tax, and regulatory frameworks continue to develop, although are subject to different interpretations and frequent changes, which, together with other legal and financial obstacles, creates extra difficulties for companies operating in Armenia.

In February 2022, due to the military conflict between the Russian Federation and Ukraine, a number of countries imposed sanctions against the Russian Federation. The conflict continues to affect not only the economic activity of both countries, but also the global economy. As a result of the sanctions, commodity prices have risen in many countries of the world, established links between resource supplies have been disrupted, inflation is also affecting prices, and analysts are also predicting economic consequences for global industry.

The level of business activity in the Russian Federation also has a significant impact on the economic environment of the Republic of Armenia, as there are significant flows of funds from the Russian Federation to the Republic of Armenia. Therefore, the political tension in the region, international sanctions, stock market instability, acute inflation and other risks the Russian Federation is facing may have a negative impact on the RA economy.

Armenian economy has successfully resisted existing global turbulences and managed to register impressive macroeconomic indicators both in 2025 and 2024, mainly due to tourism, reallocation of number of companies into Armenia and significant increase of remittances. All the mentioned factors have resulted in 7.2% increase in GDP during 2025. The government's 2021-2026 economic program seeks to advance an export-oriented and investment-driven growth model through a broad-based reform effort.

Such an environment has a significant impact on the company's operations and its financial situation. The Company undertakes the necessary activities to ensure the stability of its operations. Nevertheless, given the unpredictable nature of events, the Management does not have the ability to give a reliable assessment of the impact such circumstances will have on the company's financial position for the coming years.
The future effects of the current economic situation and the actions to be taken by the Government are difficult to predict, and the Company's management's current expectations and estimates may differ from actual results.

2.1 Presentation of financial statements

The Company presents its statement of financial position in terms of liquidity, based on the Company's intention and expected ability to receive/settle most of the assets/liabilities of the relevant line item in the financial statements. An analysis of the receipt or settlement of assets/liabilities within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 30.

3 Changes in accounting policies

3.1 New standards, interpretations and amendments effective from 1 January 2025

Lack of exchangeability (Amendment to IAS 21)

On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments).

- Lack of exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates).

The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.

These amendments had no effect on the financial statements of the Company.

3.2 Standards, interpretations and amendments issued but not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:
- *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*)
- *Contracts Referencing Nature-dependent Electricity* (Amendments to IFRS 9 and IFRS 7).

The following standards and amendments are effective for the annual reporting period beginning 1 January 2027.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on:

- The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.
- Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.
- Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards. The aim of the IASB in publishing IFRS 18 is to improve comparability and transparency of companies' performance reporting. IFRS 18 has also resulted in narrow changes to the statement of cash flows:

IFRS 19 Subsidiaries without Public Accountability: Disclosures

On 9 May 2024, the International Accounting Standards Board (IASB) issued IFRS 19 Subsidiaries without Public Accountability: Disclosures. Stakeholders have asked the IASB to permit a subsidiary reporting to a parent applying IFRS Accounting Standards in its consolidated financial statements to apply IFRS Accounting Standards with reduced disclosure requirements in its own financial statements. Considering this feedback, the IASB added a project to its research pipeline to provide reduced disclosure requirements for subsidiaries without public accountability. The project has culminated in the issuance of IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements in IFRS Accounting Standards. For example, under IFRS 19, an entity that has transactions within the scope of IFRS 2 Share-based Payment would not apply the disclosure requirements in IFRS 2.44-52, which are extensive. Instead, an entity would disclose only the information contained in paragraphs 31-34 of IFRS 19, which include a description of share-based payment arrangements, the number and weighted average exercise prices of share options, how an entity measures the fair value of equity settled share-based payment transactions and other general information about transactions in the scope of IFRS 2.

As an indication of the scope of the reduction in disclosure requirements, IFRS 2 currently contains 991 words in its disclosure requirements, whereas IFRS 19 contains only 250 words relating to IFRS 2 disclosures. The eligibility criteria for an entity to apply IFRS 19 are:

- The entity is a subsidiary (as defined in Appendix A of IFRS 10 Consolidated Financial Statements);
- The entity does not have public accountability; and
- The entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. An entity has public accountability if:
- Its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market; or
- It holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses outsiders as one of its primary businesses.

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not expect the amendments to have a material impact on its financial statements. The Company does not expect other standards (issued by IASB but not yet effective) to have a material impact on the Company.

4 Material accounting policies

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

4.1 Basis of preparation

Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards).

The principal accounting policies adopted in the preparation of the financial statements are set out in Note 19. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in Armenian Drams (AMD), which is also the Company's functional currency. Amounts are rounded to the nearest thousand (AMD'000), unless otherwise stated.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates and judgments. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 4.12.

Basis of measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value through other comprehensive income.

4.2 Foreign currency

Functional and presentation currency

The national currency of the Republic of Armenia is the Armenian dram (AMD), which is the Company's functional currency because it best reflects the economic substance of the underlying events and transactions of the Company.
These financial statements are presented in Armenian drams (unless otherwise stated) because, in the opinion of management, this currency is most relevant to the users of the Company's financial statements. All financial information presented in Armenian drams has been rounded to the nearest thousand.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction. Gains and losses arising from the translation of assets and liabilities held for trading purposes denominated in foreign currencies and gains and losses arising from the revaluation of non-trading assets and liabilities are recognized in the statement of profit or loss and other comprehensive income under the line item "Net gain (loss) on foreign currency transactions". Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the balance sheet date.

Non-monetary foreign currency items carried at historical cost are translated at the exchange rate at the date of the transaction. Non-monetary foreign currency items carried at fair value are translated at the exchange rate at the date the fair value is determined. Exchange differences on non-monetary items, such as shares held at fair value through profit or loss, are presented as part of the fair value gain or loss.
The gain or loss arising from the difference between the exchange rate stipulated in the contract for each transaction and the exchange rate prevailing on the date of the transaction is recorded in the line item "Net gain (loss) from foreign currency translation" in the statement of profit or loss and other comprehensive income.

The following exchange rates have been used by the Company for the preparation of its financial statements:

	31 December 2025	31 December 2024
AMD/1 USD	381.36	396.56
AMD/1 EUR	449.01	413.89
AMD/1 RUR	4.8711	3.71

4.3 Recognition of income and expenses

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

The effective interest rate method

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

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

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses (ECL). For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.
The calculation of the effective interest rate includes transaction costs and all amounts paid or received that form an integral part of the effective interest rate. Transaction costs include those incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortized cost and gross carrying amount

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, net of principal repayments, plus or minus any accumulated amortization on the difference between the principal and the principal amount calculated using the effective interest method, and, for financial assets, adjusted for the allowance for expected credit losses. The gross carrying amount of a financial asset measured at amortized cost is the amortized cost of the financial asset before adjustment for the allowance for expected credit losses.

Calculation of interest income and expense

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

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

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

For information on when financial assets are credit-impaired, see Note 4.5 (vi).

Fee and commission income and expense

Other income in the form of commissions and other fees, including investment management fees and placement commissions, is recognized when the relevant service is provided.

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

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

Net trading income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realized and unrealized fair value changes, interest, dividends and foreign exchange differences related to trading assets and liabilities. Net trading income also includes gains, less losses from foreign exchange translation and is recognized in profit or loss when the corresponding service is provided, as well as net gain or loss from derivative instruments.

4.4 Income tax

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

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. In the case when financial statements are authorized for issue before appropriate tax returns are submitted, taxable profits or losses are based on estimates. Tax authorities may take a more stringent approach when interpreting tax legislation and verifying tax calculations. As a result, tax authorities may impose additional taxes on transactions which were not disputed in previous periods. Therefore, significant additional taxes, penalties, and fines may arise. A tax audit may include the 3 calendar years immediately preceding the year of the tax audit. In some circumstances, a tax audit may involve longer periods.

Deferred tax

Deferred taxes are calculated using the balance sheet liability method, which takes into account all timing differences that arise between the carrying amounts of assets and liabilities recognized in the financial statements and the amounts calculated for tax purposes, except for those differences that arise on initial recognition of goodwill or in the case of assets or liabilities arising from transactions that are not business combinations and that affect neither accounting nor taxable profit at the time they arise.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply when the assets are realized and the liabilities are settled, based on the actual rates in effect for the period or reporting period.
Companies also pay other taxes during their operations in the Republic of Armenia. These taxes are included in the "Other expenses" item of the statement of profit or loss and other comprehensive income.

4.5 Financial instruments

a) Recognition and initial measurement

The Company initially recognizes loans and borrowings on the date they are originated. All other financial instruments (including regular purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Company becomes a party to the contract of the instrument.

At initial recognition, the Company measures a financial asset or financial liability at its fair value, plus or minus, when it is not a financial asset or financial liability “measured at fair value through profit or loss”, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

b) *Classification*

Financial assets

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

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

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

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

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

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

Business model assessment

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

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

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

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

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

In making the assessment, the Company considers:

- contingent events that could change the amount and timing of cash flows,
- the leverage features,

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

Reclassifications

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

Financial liabilities

The Company classifies its financial liabilities as measured at amortized cost or FVTPL.

c) Derecognition

Financial assets

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

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

Any cumulative gain/loss recognized in OCI in respect of equity investment securities designated as of FVOCI is not recognized in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognized on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognized. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and repurchase transactions, because the Company retains all or substantially all of the risks and rewards of ownership of such assets.

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

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

Financial liabilities

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

d) Modifications of financial assets and financial liabilities

Financial assets

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

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

Financial liabilities

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

e) Offsetting

Financial assets and liabilities, and income and expenses, are offset and the net amount reported in financial statements when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.
Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

f) Impairment

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

- financial assets measured at amortized cost
- financial assets measured at fair value through other comprehensive income
- no impairment is recognized on equity investments.
- the Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:
- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

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

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

Measurement of ECL

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

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

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

- Stage 1: When financial assets are first recognized, The Company recognizes an allowance based on 12mECLs. Stage 1 financial assets also include facilities where the credit risk has improved, and the financial asset has been reclassified from Stage 2.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, The Company records an allowance for the LTECLs. Stage 2 financial assets also include facilities, where the credit risk has improved and the financial asset has been reclassified from Stage 3.
- Stage 3: Financial assets considered credit-impaired. The Company records an allowance for the LTECLs.
- 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 income is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

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

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

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

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

The probability of default, the amount of debt at the time of default, and the amount of loss in the event of default are disclosed in detail in Note 30.1.2.

Restructured financial assets

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

- if the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- if the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

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

- significant financial difficulties of the borrower or issuer,
- a breach of contract such as a default or past due event;

- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

In making an assessment of whether an investment in government bonds is credit-impaired, The Company considers the following factors:

- the market's assessment of creditworthiness as reflected in the bond yields;
- the rating agencies' assessments of creditworthiness;
- the country's ability to access the capital markets for new debt issuance.

Presentation of allowances for ECL in the statement of financial position

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

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fair value reserve.

Write-offs

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

4.6.1 Cash and cash equivalents

Cash and cash equivalents comprise accounts in RA commercial banks, including highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and current accounts in clearing systems.

Cash and cash equivalents are carried at amortized cost.

4.6.2 Borrowings provided and receivables

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

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

4.6.3 Investments in securities

Investments in securities in the statement of financial position include:

- debt and equity securities that are measured at FVTPL or designated as of FVTPL; while the changes in fair value are recognized immediately in profit or loss.

4.6.4 Repurchase and reverse repurchase agreements

Sale and repurchase agreements ("repos") are treated as secured financing transactions. Securities sold under sale and repurchase agreements are retained in the 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 and faced as the separate balance sheet item. The corresponding liability is presented within amounts due to financial institutions.

Securities purchased under agreements to resell ("reverse repo") are recorded as amounts due from financial institutions or loans and advances to customers with repos as appropriate and are not recognized in the statement of financial position. Income or expense arising from the purchase and sale of securities represents interest income or expense, which is accrued over the terms of the repurchase agreements using the effective interest method.

If assets purchased under an agreement to resell are sold to third parties, the obligation to return the securities is recorded as a trading liability and measured at fair value.

4.7 Lease

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

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

Measurement and recognition of lease

The Company as a lessee

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

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

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

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

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

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

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

The Company determines its incremental borrowing rate by analyzing its borrowings from various external sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

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

4.8 Property and equipment

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

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

	Useful life (years)	Depreciation rate (%)
Computers and communications	1-3	33-100
Vehicles	8	12.5
Property, office equipment	8	12.5
Other property, plant and equipment	8	12.5

Leasehold improvements are capitalized and depreciated over the lease term on a straight-line basis.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

4.9 Intangible assets

Intangible assets include computer software, licenses and other intangible assets.

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

Current maintenance costs for computer software are recognized as an expense when incurred.

4.10 Borrowings

Borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortized cost using

the effective interest method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognized as well as through the amortization process.

4.11 Equity

Share capital

Ordinary shares are classified as equity. Direct costs relating to the issue of new shares, other than shares issued in a business combination, are deducted from the increase in equity. When the fair value of the proceeds from the issue exceeds the nominal value of the shares, the difference is recorded as a share premium.

Additional paid-in capital

Additional paid-in capital is the amount of the adjustment to the fair value of the borrowing provided to the founder of the Company, which is recognized in equity as additional paid-in capital.

Retained earnings

Retained earnings include accumulated earnings from the current and previous periods.

4.12 Significant management judgement in applying accounting policies and estimation uncertainty

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

4.12.1 Significant judgments in applying accounting policies

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

Classification of financial assets

The Company assesses the business model within which the assets are held and also assesses whether the contractual terms of the financial asset are solely payments of principal and interest on the outstanding principal amount (see Note 4.5 (ii)).

Definition of criteria for calculating ECL

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

4.12.2 Assumptions and estimation uncertainty

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. The estimated fair value may differ from the actual value that could be obtained in individual transactions as of the reporting period (see Note 27).

Useful life of property and equipment

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

Lease extension options

When the Company has an option to extend the lease, management uses its judgment to determine whether it is reasonable to exercise that option. Management considers all facts and circumstances, including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

Related party transactions

In the normal course of business, the Company enters into transactions with its related parties. These transactions are priced predominantly at market rates. 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.

Impairment of financial assets

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

Tax legislation

Armenian tax legislation is subject to varying interpretations (see Note 23).

5 Net interest income and expense

	2025	2024
Interest income calculated using the effective interest rate method		
Borrowing provided to related party	177,479	61,244
Term deposits and current accounts in banks	155,812	108,527
Reverse repurchase agreements	132,014	170,033
Other interest income	4,269	468
Total interest income	**469,574**	**340,272**
Interest expense		
Lease liabilities	(6,522)	(4,061)
Interest expenses due to financial institutions	(3,143)	(4,341)
Borrowings from individuals	-	(10,184)
Total interest expense	**(9,665)**	**(18,586)**
Total net interest income	**459,909**	**321,686**

6 Fee and commission net income

	2025	2024
Brokerage services	4,209,469	22,203,433
Custodial services	839,965	1,182,116
Transactions with securities	48,486	119,019
Other commission income	245,926	92,414
Total fee and commission income	**5,343,846**	**23,596,982**
Brokerage services	(1,350,001)	(3,590,513)
Custodial services	(66,810)	(142,243)
Banking and other expenses	(775)	(3,083)
Total fee and commission expense	**(1,417,586)**	**(3,735,839)**
Net fee and commission income	**3,926,260**	**19,861,143**

7 Net trading income

	2025	2024
Net gain (loss) from trading in foreign currency	1,952,136	(591,881)
Net gain from trading of securities not measured at fair value through profit or loss	666,296	3,287,099
Net gain from remeasurement of securities not measured at fair value through profit or loss	517,716	309,640
Loss on recognition of loans granted	(167,203)	-
Net gain on derivative financial instruments	-	1,978
Total net trading income	**2,968,945**	**3,006,836**

8 Dividend income

	2025	2024
Dividends received on equity instruments	109,548	13,841
Total dividend income	**109,548**	**13,841**

9 Other operating income

	2025	2024
Income from insurance compensation	-	50
Other operating income	252	-
Total other operating income	**252**	**50**

10 Credit loss expense

		2025		2024	
	Note	**Phase 1**	**Total**	**Phase 1**	**Total**
Cash and cash equivalents	14	(1,265)	(1,265)	233	233
Borrowings provided	18	10,574	10,574	26,902	26,902
Total credit loss expense		**9,309**	**9,309**	**27,135**	**27,135**

11 Personnel expenses

	2025	2024
Compensations of employees, related taxes included	5,666,341	15,397,130
Personnel training and other expenses	7,105	4,463
Total personnel expenses	**5,673,446**	**15,401,593**

Employee benefits include bonuses in the amount of AMD 3,191,121 thousand (2024: AMD 11,252,555 thousand), the majority of which were paid to employees, including employees related to the Company, for market expansion activities and development of new business segments.

12 Other expenses

	2025	2024
Business trip expenses	107,056	48,460
Charity expenses	95,716	86,787
Consulting and other services	88,474	65,834
Depreciation and amortization	81,157	63,958
Repair and maintenance of tangible assets	78,174	68,265
Communication costs	76,055	76,630
Taxes (other than income tax) and duties	32,324	41,217
Public relations costs	21,578	10,677
Representative costs	18,523	20,585
Advertising costs	12,394	6,152
Short-term lease expenses	8,400	-
Office expenses	7,742	24,380
Insurance	4,302	3,592
Membership fees	2,734	3,948
Other expenses	33,458	32,855
Total other expenses	**668,087**	**553,342**

13 Income tax expense

	2025	2024
Current tax expense	140,620	1,377,982
Deferred tax expense (compensation)	46,462	(82,549)
Total income tax expense	**187,082**	**1,295,433**

The corporate income tax rate in the Republic of Armenia is 18% (2024: 18%). The difference between the RA tax legislation and IFRS for a number of assets and liabilities gives rise to temporary differences between their carrying amounts and their tax bases for the purposes of preparing financial statements. The amount of deferred income tax is calculated using the basic rate of 18%.
The reconciliation between income tax expense and accounting profit is presented below:

	2025	Effective tax rate (%)	2024	Effective tax rate (%)
Profit before tax	632,228	-	6,678,059	
Income tax	113,801	18	1,202,051	18
Net non-deductible expenses	160,013	25	97,817	2
Negative (positive) foreign currency exchange rate difference	(86,732)	(14)	(4,435)	-
Total income tax expense	**187,082**	**30**	**1,295,433**	**20**

Deferred tax calculation in respect of temporary differences:

				2025		
	2024	Recognized in profit or loss	Recognized in other comprehensive income	Net balance	Deferred tax assets	Deferred tax liabilities
Cash and cash equivalents	327	(228)	-	99	99	-
Investments in securities	2,977	2,986	-	5,963	5,963	-
Borrowings provided	26,017	30,296	(32,200)	24,113	24,113	-
Property, plant and equipment	4,178	1,864	-	6,042	6,042	-
Right-of-use assets	(4,637)	(3,080)	-	(7,717)	-	(7,717)
Lease liabilities	4,354	3,732	-	8,086	8,086	-
Other provisions created	95,545	(81,969)	-	13,576	13,576	
Other liabilities	(202)	(63)	-	(265)	-	(265)
Deferred tax asset (liability)	**128,559**	**(46,462)**	**(32,200)**	**49,897**	**57,879**	**(7,982)**

	2023	Recognized in profit or loss	Recognized in other comprehensive income	2024		
				Net balance	Deferred tax assets	Deferred tax liabilities
Cash and cash equivalents	285	42	-	327	327	-
Investments in securities	1,174	1,803	-	2,977	2,977	-
Borrowings provided	-	(6,182)	32,199	26,017	26,017	-
Property, plant and equipment	-	4,178	-	4,178	4,178	-
Right-of-use assets	(9,593)	4,956	-	(4,637)	-	(4,637)
Lease liabilities	9,670	(5,316)	-	4,354	4,354	-
Other provisions created	12,275	83,270		95,545	95,545	-
Other liabilities	-	(202)	-	(202)	-	(202)
Deferred tax asset (liability)	**13,811**	**82,549**	**32,199**	**128,559**	**133,398**	**(4,839)**

14 Cash and cash equivalents

	31 December 2025	31 December 2024
Accounts in banks	4,234,153	4,532,058
Deposits for less than 90 days	-	92,983
Current accounts in clearing systems	381,235	2,205,132
	4,615,388	**6,830,173**
Provision for ECLs	(550)	(1,815)
Total cash and cash equivalents	**4,614,838**	**6,828,358**

As of December 31, 2025, 88% of cash and cash equivalents are concentrated in three banks (December 31, 2024: 83% in three banks).

The analysis of changes in the expected credit loss allowance for cash and cash equivalents is presented below:

	31 December 2025	31 December 2024
	Phase 1	Phase 1
ECL allowance at January 1	(1,815)	(1,582)
Net revaluation of loss provisions	1,265	(233)
Balance at December 31	**(550)**	**(1,815)**

15 Amounts due from financial institutions

	31 December 2025	31 December 2024
Reverse repurchase agreements with Armenian banks	2,653,108	6,173,992
Amounts due from banks	2,197,891	437,081
Amounts due from investment companies	28,756	420
Loans (borrowings provided) and deposits, other claims	8,436	-
Amounts due from other financial institutions	82,316	393,432
Total amounts due from financial institutions	**4,970,507**	**7,004,925**

Expected credit losses on amounts due from financial institutions are close to zero and therefore have not been recognized or disclosed.

The fair value of securities purchased under reverse repurchase agreements and the carrying amount of loans granted as of December 31, 2025 and 2024 are presented below:

	2025		2024	
	Fair value of collateral	**Loan amount**	**Fair value of collateral**	**Loan amount**
RA government securities	2,836,676	2,653,108	6,930,697	6,173,992
Total assets purchased and borrowings provided under reverse repurchase agreements	**2,836,676**	**2,653,108**	**6,930,697**	**6,173,992**

16 Amounts due from customers

	31 December 2025	31 December 2024
Amounts receivable from transactions with securities	6,669	105,117
Amounts receivable from custody	22,838	41,486
Other amounts due from customers	11,425	285,689
Total amounts due from customers	**40,932**	**432,292**

17 Securities measured at fair value through profit or loss

	31 December 2025	31 December 2024
Government bonds	4,857,427	3,819,451
Corporate bonds	770,756	1,805,378
Equity instruments	264,105	1,418,273
Investments in funds managed by the company	-	3,882
Total securities measured at fair value through profit or loss	**5,892,288**	**7,046,984**

Securities measured at fair value through profit or loss by yield and remaining maturity are as follows:

	31 December 2025		31 December 2024	
	%	**Term**	**%**	**Term**
RA government bonds	7-9.6	2026-2033	7-9.6	2025-2033
RA corporate bonds	9.25-11.5	2026-2029	-	-
Non-resident government bonds	0-0.75	2026	0.5-5.25	2025-2047
Non-resident corporate bonds	4.95	2027	1.85-5	2025-2031

Unquoted equity securities included in investment securities measured at fair value through profit or loss amounted to AMD 34,445 thousand as of December 31, 2025 (31.12.2024: AMD 153,322 thousand).

18 Borrowings provided

	31 December 2025	31 December 2024
Borrowings provided to related parties	2,660,557	1,295,888
	2,660,557	**1,295,888**
Provision for ECLs	(37,475)	(26,902)
Total borrowings provided	**2,623,082**	**1,268,986**

The analysis of changes in expected credit losses on borrowings provided is presented below:

	31 December 2025	31 December 2024
	Phase 1	Phase 1
Provision for ECLs at January 1	(26,902)	-
Net revaluation of loss provisions	(10,573)	(26,902)
Balance at December 31	**(37,475)**	**(26,902)**

As of December 31, 2025, borrowings were provided to related parties of the Company (see Note 26). They were initially recognized at fair value, which was calculated by discounting future cash flows at a market interest rate (7.90%). The difference between the initial measurement amount and the nominal amount is recognized in the statement of profit or loss and other comprehensive income. As of December 31, 2024, borrowings were provided to persons related to the Company (see Note 26), in particular to the founder of the Company. The difference between the initial measurement amount and the nominal amount was recognized in other components of equity.

The maturity analysis of borrowings provided is presented in Note 29.

Debt, exchange rate and interest rate analysis of borrowings provided is disclosed in Note 30.

19 Property, equipment and intangible assets

	Computers and communication devices	Vehicles	Other	Intangible assets	Leasehold improvements	Total
Cost						
At 1 January 2024	**18,709**	**17,300**	**18,254**	**54,624**	**30,950**	**139,837**
Addition	7,928	-	5,353	2,175	-	15,456
Disposal	-	-	-	-	-	-
At 31 December 2024	**26,637**	**17,300**	**23,607**	**56,799**	**30,950**	**155,293**
Addition	4,358	-	13,065	5,706	30,200	53,329
At 31 December 2025	**30,995**	**17,300**	**36,672**	**62,505**	**61,150**	**208,622**
Accumulated depreciation						
At 1 January 2024	**12,334**	**2,691**	**2,892**	**6,536**	**8,524**	**32,977**
Expense for the year	11,625	2,163	4,990	6,137	11,507	36,422
Disposal	-	-	-	-	-	-
At 31 December 2024	**23,959**	**4,854**	**7,882**	**12,673**	**20,031**	**69,399**
Expense for the year	5,292	2,161	7,049	7,048	17,503	39,053
At 31 December 2025	**29,251**	**7,015**	**14,931**	**19,721**	**37,534**	**108,452**
Carrying amount						
At 31 December 2024	**2,678**	**12,446**	**15,725**	**44,126**	**10,919**	**85,894**
At 31 December 2025	**1,744**	**10,285**	**21,741**	**42,784**	**23,616**	**100,170**

Fully depreciated assets

As of December 31, 2025, the initial cost of fully depreciated and amortized assets included in the list of property and equipment and intangible assets was AMD 140,325 thousand (31.12.2024: AMD 18,835 thousand).

Restrictions on property, equipment and intangible assets

As at 31 December 2025 and 2024 the Company did not possess any property, equipment pledged as security for liabilities or subject to any other restrictions.

Contractual commitments

As of December 31, 2025, the Company had no contractual obligations to make investments in property, equipment and intangible assets (31.12.2024: the same).

19.1 Lease

The Company has entered into lease agreements for its head office. The lease is reflected in the statement of financial position as a right-of-use asset and a lease liability.

Right-of-use assets:	**31 December 2025**	**31 December 2024**
Balance at January 1	25,761	53,299
Addition	59,217	-
Amount of depreciation for the period	(42,104)	(27,538)
Balance at December 31	**42,874**	**25,761**

Amounts recognized in profit or loss:

	2025	**2024**
Depreciation of right-of-use asset	(42,104)	(27,538)
Interest on lease liabilities	(6,522)	(4,061)

Amounts recognized in the statement of cash flows:

	2025	**2024**
Increase (decrease) in lease payables	(45,336)	(33,600)

Lease liabilities

The movement in lease liabilities during the reporting period is presented below:

	31 December 2025	**31 December 2024**
Balance at January 1	24,185	53,724
Addition	59,553	-
Interest expense	6,522	4,061
Deduction	(45,336)	(33,600)
Balance at December 31	**44,924**	**24,185**

The weighted average interest rate applied to lease liabilities recognized in accordance with IFRS 16 in 2025 was 13.2% (2024: 10.5%).

Lease liabilities are secured by the relevant underlying assets. The maturity analysis of undiscounted lease liabilities as of December 31, 2025 is reflected in Note 30.2.2.

20 Other assets

	31 December 2025	31 December 2024
Accounts receivable from the budget	4,497	4,872
Total other financial assets	**4,497**	**4,872**
Income tax prepayment	44,172	-
Prepayments to suppliers	6,652	20,145
Future period expenses	5,355	4,423
Other assets	2,348	1,520
Total non-financial assets	**58,527**	**26,088**
Total other assets	**63,024**	**30,960**

Expected credit losses on other financial assets are close to zero and are therefore not disclosed in this table.

21 Amounts due to financial institutions

	31 December 2025	31 December 2024
Other amounts due to banks	2,098,470	124,392
Other amounts due to investment companies	1,586	288,148
Other amounts due to other financial institutions	453,836	1,543,760
Total amounts due to financial institutions	**2,553,892**	**1,956,300**

During the reporting period, the Company had no defaults on principal, interest or other violations (31.12.2024: the same).

22 Amounts due to others

	31 December 2025	31 December 2024
Client brokerage accounts*	1,212,327	4,532,833
Amounts payable on transactions with securities	58,236	444,466
Total amounts due to others	**1,270,563**	**4,977,299**

*The amounts recorded in the brokerage accounts of customers are the amounts that the Company used for its own needs in accordance with the agreements concluded between the Company and its customers before the execution of transactions on the customers' instructions. These liabilities are short-term (see Note 29).

23 Provisions

	31 December 2025	31 December 2024
Balance at January 1	530,801	68,191
Allocations to provision	663,155	1,203,620
Use of provision	(1,118,536)	(741,010)
Net allocations to provision	(455,381)	462,610
Balance at December 31	**75,420**	**530,801**
Vacation allowance	75,420	530,801

The Company has a legal obligation regarding provisions. As a result, cash outflows are expected during the year. Considering the short-term and immaterial nature, the amount of provisions has been determined without discounting.

Legal and tax liabilities

The tax system in 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 different interpretations. Taxes are subject to inspection and review by tax authorities, which have the authority to impose penalties and fines. In case of violation of tax legislation, tax authorities cannot impose additional taxes, penalties and fines for more than 4 reporting years preceding the inspection.

These circumstances may give rise to tax risks in Armenia that are more significant than in other countries. Management believes that it has properly complied with its tax obligations based on its interpretations of applicable tax legislation in Armenia, official pronouncements and court decisions. However, the interpretations of the relevant authorities may differ and if the authorities are successful in enforcing their interpretations, the impact on these financial statements could be material.
The management is confident that the Company operates within the framework of the requirements stipulated by the legislation and has fully fulfilled its tax obligations.

As of December 31, 2025, there were no legal claims against the Company. Therefore, the Company has not formed any corresponding provisions for legal and tax liabilities.

Insurance

The insurance sector in Armenia is in a developing stage, and many insurance formats specific to other countries are generally not yet applicable. The Company has insurance for movable property. Unless the Company has provided for comprehensive insurance, there is a risk that the loss or destruction of certain assets may have a negative impact on the Company's operations and financial position.

24 Other liabilities

	31 December 2025	31 December 2024
Liabilities to employees	-	-
Tax liabilities, excluding income tax	211,686	818,656
Liabilities to suppliers	17,415	13,357
Future period income	-	6
Other liabilities	7,765	-
Total other liabilities	**236,866**	**832,019**

25 Share capital

As of December 31, 2025, the registered and fully paid-in share capital of the Company was AMD 320,000 thousand. According to the Company's Charter, the share/authorized capital consists of 32,000 ordinary registered shares with a nominal value of AMD 10,000 each.

As of December 31, 2025, the Company's shareholders were as follows:

	31 December 2025		31 December 2024	
	Paid-in share capital	**Share in paid-in capital %**	**Paid-in share capital**	**Share in paid-in capital %**
"Apricot Group" CJSC	320,000	100	320,000	100
	320,000	**100**	**320,000**	**100**

As of December 31, 2025, there were no shares repurchased by the Company (31.12.2024: the same). There were no dividends declared and paid by the Company during 2025.

26 Transactions with related parties

In accordance with IAS 24 “Related Party Disclosures”, parties are considered to be related if one party has ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. For the purpose of the present financial statements, related parties include shareholders, members of the management personnel, as well as their close family members (children, spouse and/or partner) and the organizations controlled by them.
The ultimate controlling party of the Company is Vardan Amaryan, who is the sole shareholder of Apricot Group CJSC.
A number of transactions are entered into with related parties in the normal course of business. These include borrowings, trading of securities and other.
The volumes of related party transactions, outstanding balances at the end of the year, and related expenses and income for the year are as follows:

	2025		2024	
	Shareholders and related parties	**Funds**	**Shareholders and related parties**	**Funds**
Statement of Financial Position				
Borrowings provided				
Balance at January 1, gross	1,295,888	-	-	-
Borrowings provided during the year	2,737,560	-	1,425,914	-
Adjustment from initial recognition, repayment and revaluation	(155,677)	-	(130,026)	-
Accrued interest	177,478	-	-	-
Repaid	(1,394,692)	-	-	-
Balance at December 31, gross	**2,660,557**	**-**	**1,295,888**	**-**
Provision for ECLs	(37,475)	-	(26,902)	-
Balance at December 31	**2,623,082**	**-**	**1,268,986**	**-**
Investments in fund shares managed by the Company	**-**	**-**	**-**	**3,882**
Cash and cash equivalents	**69,225**	**-**	**-**	**-**
Client brokerage accounts *	**-**	**-**	**146,931**	**372,361**

	2025		2024	
	Shareholders and related parties	**Funds**	**Shareholders and related parties**	**Funds**
Amounts due from financial institutions	**8,545**	**-**	**2,523**	**-**
Statement of profit or loss and other comprehensive income				
Interest income	177,478	-	61,244	-
Interest expense	(1,516)	-	-	-
Net income from trading in securities	(4,268)	-	1,030	-
Fund management fee	10,384	-	-	25,108
Loss from initial recognition of borrowing	(167,203)	-	(178,883)	-
Fee and commission income	7,937	-	1,901	2,595
(Credit loss expense) reversal of credit loss expense	(9,412)	-	(26,902)	-
Business trip expenses	(83,299)	-	(29,007)	-
Net gain/(loss) from foreign currency revaluation	(123,036)	-	17,057	-

Compensation of key management personnel comprised the following:

	31 December 2025	**31 December 2024**
Salaries and bonuses to related employees (with shareholder)	4,250,112	11,994,997
Salaries and bonuses to key management	576,703	1,903,395
Total	**4,826,815**	**13,898,392**

27 Fair value measurement

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

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

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

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

As of December 31, 2025 and 2024, the fair values of all financial instruments approximate their carrying amounts and are included in Level 2.

27.1 Financial instruments measured at fair value

	31 December 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Securities measured at fair value through profit or loss	3,767,000	2,125,288	-	5,892,288
Net fair value	**3,767,000**	**2,125,288**	**-**	**5,892,288**

	31 December 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Securities measured at fair value through profit or loss	4,543,012	2,346,768	3,882	6,893,662
Net fair value	**4,543,012**	**2,346,768**	**3,882**	**6,893,662**

No significant transfers were made between Level 1 and Level 2 during the reporting period.

Unquoted debt securities

The fair value of unquoted debt securities at FVOCI is measured using a valuation technique, which uses current market rates to discount future cash flows of the financial instruments.

Fair value measurement in Level 3

The Company's financial assets and liabilities classified in Level 3 uses valuation techniques based on significant inputs that are not based on observable market data.

28 Offsetting of financial assets and financial liabilities

In the ordinary course of business, the Company performs different operations with financial instruments which may be presented in net amounts when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

The table below presents financial assets and financial liabilities that are offset in the statement of financial position or are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the statement of financial position.

	Gross amount of recognized financial assets	Gross amount of recognized financial assets/ liabilities offset in the statement of financial position	Net amount of financial assets/liabilities presented in the statement of financial position	31 December 2025 Related amounts that are not offset in the statement of financial position		
				Financial instruments	Non-monetary collateral received	Net
Financial assets						
Reverse repurchase agreements with banks (Note 15)	2,653,108	-	2,653,108	-	2,653,108	-
Total	**2,653,108**	**-**	**2,653,108**	**-**	**2,653,108**	**-**

	Gross amount of recognized financial assets	Gross amount of recognized financial assets offset in the statement of financial position	Net amount of financial assets presented in the statement of financial position	31 December 2024 Related amounts that are not offset in the statement of financial position		
				Financial instruments	Non-monetary collateral received	Net
Financial assets						
Reverse repurchase agreements with banks (Note 15)	6,173,992	-	6,173,992	-	6,173,992	-
Total	**6,173,992**	**-**	**6,173,992**	**-**	**6,173,992**	-

29 Maturity analysis of assets and liabilities

The following table presents financial assets and liabilities by expected maturity dates. Information on the Company's undiscounted contractual liabilities is presented in Note 30.2.3.

	31 December 2025						
	Demand and up to 1 month	From 1 to 12 months	Up to 12 months, sub-total	1 to 5 years	More than 5 years	More than 12 months, sub-total	Total
Assets							
Cash and cash equivalents	4,614,838	-	4,614,838	-	-	-	4,614,838
Amounts due from financial institutions	4,970,507	-	4,970,507	-	-	-	4,970,507
Amounts due from customers	40,932	-	40,932	-	-	-	40,932
Securities not measured at fair value through profit or loss	1,181,555	2,761,389	3,942,944	1,562,770	386,574	1,949,344	5,892,288

							31 December 2025
	Demand and up to 1 month	**From 1 to 12 months**	**Up to 12 months, sub-total**	**1 to 5 years**	**More than 5 years**	**More than 12 months, sub-total**	**Total**
Borrowings provided	-	2,623,082	2,623,082	-	-	-	2,623,082
Other financial assets	4,497	-	4,497	-	-	-	4,497
	10,812,329	**5,384,471**	**16,196,800**	**1,562,770**	**386,574**	**1,949,344**	**18,146,144**
Liabilities							
Amounts due to financial institutions	2,553,892	-	2,553,892	-	-	-	2,553,892
Amounts due to others	1,270,563	-	1,270,563	-	-	-	1,270,563
Lease liabilities	1,504	19,446	20,950	23,974	-	23,974	44,924
Provisions and other liabilities	100,600	-	100,600	-	-	-	100,600
	3,926,559	**19,446**	**3,946,005**	**23,974**	**-**	**23,974**	**3,969,979**
Net position	**6,885,770**	**5,365,025**	**12,250,795**	**1,538,796**	**386,574**	**1,925,370**	**14,176,165**
Accumulated gap	**6,885,770**	**12,250,795**	**-**	**13,789,590**	**14,176,165**	**-**	**-**

							31 December 2024
	Demand and up to 1 month	**From 1 to 12 months**	**Up to 12 months, sub-total**	**1 to 5 years**	**More than 5 years**	**More than 12 months, sub-total**	**Total**
Assets							
Cash and cash equivalents	6,735,416	92,942	6,828,358	-	-	-	6,828,358
Amounts due from financial institutions	7,004,925	-	7,004,925	-	-	-	7,004,925
Amounts due from customers	432,292	-	432,292	-	-	-	432,292
Securities not measured at fair value through profit or loss	334,649	4,443,103	4,777,752	622,010	1,647,222	2,269,232	7,046,984
Borrowings provided	61,244	1,207,742	1,268,986	-	-	-	1,268,986
Other financial assets	4,872	-	4,872	-	-	-	4,872
	14,573,398	**5,743,787**	**20,317,185**	**622,010**	**1,647,222**	**2,269,232**	**22,586,417**
Liabilities							
Amounts due to financial institutions	1,956,300	-	1,956,300	-	-	-	1,956,300
Amounts due to others	4,977,299	-	4,977,299	-	-	-	4,977,299
Lease liabilities	2,594	21,591	24,185	-	-	-	24,185
Provisions and other liabilities	547,621	-	547,621	-	-	-	547,621
	7,483,814	**21,591**	**7,505,405**	**-**	**-**	**-**	**7,505,405**
Net position	**7,089,584**	**5,722,196**	**12,811,780**	**622,010**	**1,647,222**	**2,269,232**	**15,081,012**
Accumulated gap	**7,089,584**	**12,811,780**	**-**	**13,433,790**	**15,081,012**	**-**	**-**

30 Risk management

Investment operations are exposed to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks.

Risk is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk, market risk and operational risk.

Risk management structure

The risk management is implemented at different structural levels within the Company.

General Meeting of shareholders

The General Meeting of shareholders is responsible for the overall risk management approach and for approving the risk strategies and principles.

Management Board

The Management has the responsibility to monitor the overall risk process within the Company. The Management is also responsible for the management of Company's assets and liabilities, as well as liquidity risk and financing risk management.

The Company's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate and other price risks.

30.1 Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Company by failing to discharge an obligation.
Credit exposures arise principally in provision of borrowings, and investment activities that bring debt securities and other bills into the Company's asset portfolio.
In 2025 and 2024 there are not impaired assets in the Company.
The carrying amounts of the Company's financial assets best represent the maximum exposure to credit risk related to them, without taking account of any collateral held or other credit enhancements.
With the purpose of mitigating its credit risk the Company may set maximum limits with institutions it collaborates with for the allocation of resources. Separate limit may be set for each institution.

30.1.1 Credit quality analysis

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

Explanation of internal rating grades is presented in Note 30.1.2.

Internal rating grade	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
Cash and cash equivalents				
Standard	4,615,388	-	-	4,615,388
Gross carrying amount	**4,615,388**	**-**	**-**	**4,615,388**
Provision for ECLs	(550)	-	-	(550)
Net carrying amount	**4,614,838**	**-**	**-**	**4,614,838**
Amounts due from financial institutions				
Standard	4,970,507	-	-	4,970,507
Net carrying amount	**4,970,507**	**-**	**-**	**4,970,507**
Investments in securities				
- Securities measured at fair value through profit or loss				
Standard	5,892,288	-	-	5,892,288
Gross carrying amount (fair value)	**5,892,288**	**-**	**-**	**5,892,288**
Borrowings provided				
Standard	2,660,557	-	-	2,660,557
Gross carrying amount	**2,660,557**	**-**	**-**	**2,660,557**
Provision for ECLs	(37,475)	-	-	(37,475)
Net carrying amount	**2,623,082**	**-**	**-**	**2,623,082**
Amounts due from customers and other assets				
Standard	45,429	-	-	45,429
Net carrying amount	**45,429**	**-**	**-**	**45,429**

Internal rating grade	31 December 2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Cash and cash equivalents				
Standard	6,830,173	-	-	6,830,173
Gross carrying amount	**6,830,173**	**-**	**-**	**6,830,173**
Provision for ECLs	(1,815)	-	-	(1,815)
Net carrying amount	**6,828,358**	**-**	**-**	**6,828,358**
Amounts due from financial institutions				
Standard	7,004,925	-	-	7,004,925
Net carrying amount	**7,004,925**			**7,004,925**
Investments in securities				
- Securities measured at fair value through profit or loss				
Standard	7,046,984	-	-	7,046,984
Gross carrying amount (fair value)	**7,046,984**	**-**	**-**	**7,046,984**
Borrowings provided				
Standard	1,295,888	-	-	1,295,888
Gross carrying amount	**1,295,888**	**-**	**-**	**1,295,888**
Provision for ECLs	(26,902)	-	-	(26,902)
Net carrying amount	**1,268,986**	**-**	**-**	**1,268,986**
Amounts due from customers and other assets				
Standard	437,164	-	-	437,164
Net carrying amount	**437,164**	**-**	**-**	**437,164**

30.1.2 Impairment assessment

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

Significant increase in credit risk

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

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

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

Criteria for borrowings provided

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

- 30 days past due. More than 30 days past due is an indicator of a significant increase in credit risk.
- Overdue– other than 30 days. Significant increase in credit risk is considered when although at the reporting date, days past due are less than 30, during the last 6 months there was at least one case of more than 60 days past due.
- Default (stage 3') during the last 12 months. A significant increase in credit risk is considered when although at the reporting date the outstanding amount of the facility is not classified as default, during the last 12 months it was at least once in stage 3.
- Borrowings in the probation period. A significant increase in credit risk is considered in case of a forborne performing borrowing or forborne non-performing borrowing, which is in the probation period (after cure period). At the same time, the loan should not have overdue days of more than 30 days or any indication of an unlikeliness to pay.

Criteria for investment securities

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

- Relative change in 12-month PD. A significant change in 12-month PD is considered as factor of changes in lifetime PD. This is indicative of a significant increase in credit risk. This criterion is used when the Company has an internal credit rating system.
- Relative change in lifetime PD. A significant change in lifetime PD is indicative of a significant increase in credit risk. This criterion is used when the Company has an internal credit rating system.
- Changes in external credit score/ rating. For this criterion, the country's (sovereign) rating will be taken into account. A significant change in the credit score assigned by the Big Three credit rating agencies (Standard & Poor's, Moody's, and Fitch) is indicative of a significant increase in credit risk. A significant increase in credit risk is taken into account when the S & P rating goes down one level each time, beginning with B2 (S&P) (or the equivalent of Moody's and Fitch). In cases where issuers do not have a corporate rating from the above-mentioned rating agencies and the Company does not have an equivalent internal rating system, the corporate default rating corresponding to the sovereign rating of the given country is applied.

The following table shows the mapping of the Company's grading system and external ratings of the counterparties:

International external rating agency rating		2025	2024
	Rating	**12-month PD**	**12-month PD**
Aaa to A3	High	0.01-0.06%	0.001-0.05%
Baa1 to B3	Standard	0.09-4.07%	0.09-5.53%
Caa1 to Ca	Non-standard	4.07%-33.47%	5.53%-25.7%
D	Non-Performing	100%	100%

Exit criteria from significant deterioration stage

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

Credit risk levels

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative (primarily driven by days past due: Not overdue financial assets are defined high grade, overdue less than 30 days – standard grade, overdue more than 30 days and less than 90 days – substandard or low grade and overdue more than 90 days – non-performing grade) factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Collective or individual assessment

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

- Individually significant borrowing of Stage 3, regardless of the class of financial assets.
- The treasury, trading and interbank relationships such as Due from banks, Securities pledged under repurchase agreements and debt instruments at amortized cost/FVOCI.

Regarding the assets for which ECL are not calculated individually, the Company classifies these assets into segments with similar credit risk characteristics.

Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments, except for borrowings and debt investment securities provided to banks and other financial institutions, the contractual payments of which are 30 days past due.

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

- lawsuit, execution or enforced execution in order to collect debt,
- license of the borrower is withdrawn,
- multiple restructurings on one exposure,
- there are justified concerns about a borrower’s future ability to generate stable and sufficient cash flows,
- debt service coverage ratio indicates that debt is not sustainable,
- loss of a major customer or tenant,
- an affiliate and a significant customer have filed for bankruptcy,
- restructuring with a material part of the borrowing conceded,
- The Company initiates bankruptcy proceedings against the borrower.

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

Forborne and modified borrowings

The Company sometimes makes concessions or modifications to the original terms of borrowings as a response to the borrower’s financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a borrowing forborne when such concessions or modifications are provided as a result of the borrower’s present or expected financial

difficulties and the Company would not have agreed to them if the borrower had been financially sound. Indicators of financial distress include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur.

Decisions regarding derecognition and movements between Stage 2 and Stage 3 are determined on a case-by-case basis.

The Company defines the "cure" period as a 12-month period after forbearance, which is applied for forborne non-performing exposures. Given the fact that it is impossible to determine financial difficulties immediately after forbearance, it is necessary to use the "cure" period to determine whether the loan was effectively cured. Thus, all forborne non-performing loans must remain at stage 3 after the forbearance date, despite the behavior of the loan (no overdue days, etc.).
The Company defines the probation period as a 24-month period after "cure" period, which is applied for forborne performing exposures (excluding any grace period). Once an asset has been classified as forborne performing exposures, it will remain forborne for a minimum 24-month probation period.

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

- All its facilities should be performed.
- The two-year probation period has elapsed from the date the forborne instrument was reinstated as performing.
- Regular payments of insignificant principal or interest, for at least half of the probationary period.
- The customer does not have any instruments that are more than 30 days past due.

Probability of Default (PD)

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

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

Loss Given Default (LGD)

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

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

EAD (the Exposure at Default)

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

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

Forward-looking information

The Company has not included forward-looking information in relation to financial assets. Management estimates that the impact of including forward-looking information is not material.

30.1.3 Maximum credit risk concentrations

Geographical segments

The following table shows the Company's credit risk concentrations by carrying amount as at 31 December, classified by geographical segments:

	RA	**Non- OECD countries**	**OECD**	**Total**
Cash and cash equivalents	4,225,139	308,555	81,144	4,614,838
Amounts due from financial institutions	1,159,515	3,810,374	618	4,970,507
Amounts due from customers	6,722	34,210	-	40,932
Securities measured at fair value through profit or loss	2,125,288	288,466	3,478,534	5,892,288
Borrowings provided	2,623,082	-	-	2,623,082
Other financial assets	4,497	-	-	4,497
At 31 December 2025	**10,144,243**	**4,441,605**	**3,560,296**	**18,146,144**
At 31 December 2024	**12,373,553**	**5,365,732**	**4,847,132**	**22,586,417**

Assets are classified based on the country where the counterparty is registered.

30.2 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. The Company manages market risk by setting open position limits on financial instruments that are regularly reviewed and approved by the CEO.

30.2.1 Market risk – Non-trading

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. As at 31 December 2025 the Company did not possess financial assets or liabilities with variable interest rate.

The following is a sensitivity analysis of profit or loss due to changes in the fair value of financial instruments measured at fair value through profit or loss, based on a simplified scenario of a

parallel decline or rise in the yield curves and the positions available as of December 31, 2025 and 2024:

Currency	2025		2024	
	Change in basis points	Profit or loss	Change in basis points	Profit or loss
AMD	+1	(5,861)	+1	(9,040)
AMD	- 1	5,949	- 1	11,651

Average effective interest rates

The table below presents the average effective interest rates of interest-bearing assets and interest-bearing liabilities as at 31 December 2025 and 2024. These interest rates represent the approximate yield on these assets and liabilities over the period to maturity.

	2025			2024		
	Average effective interest rate, %			Average effective interest rate, %		
	AMD	USD	Euro	AMD	USD	Euro
Interest-bearing assets						
Deposits in banks	-	3.5	2.0	-	2.0	1.5
Reverse repurchase agreements with Armenian banks	-	3.78	-	-	4.22	2.45
Securities not measured at fair value through profit or loss	10.36	3.72	-	10.5	10.6	1.18

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign currency exchange rates. The positions are monitored on a daily basis.

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

	31 December 2025		31 December 2024	
	Change in currency exchange rate, %	Impact on profit before tax	Change in currency exchange rate, %	Impact on profit before tax
USD	5	608,198	5	570,430
EUR	5	30,029	5	49,012
RUR	5	(83,420)	5	(26,530)
USD	(5)	(608,198)	(5)	(570,430)
EUR	(5)	(30,029)	(5)	(49,012)
RUR	(5)	83,420	(5)	26,530

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

				31 December 2025
	AMD	**Freely convertible currency**	**Non-convertible currency**	**Total**
Assets				
Cash and cash equivalents	948,595	3,530,859	135,384	4,614,838
Amounts due from financial institutions	17,375	4,680,197	272,935	4,970,507
Amounts due from customers	52	40,875	5	40,932
Securities not measured at fair value through profit or loss	2,125,288	3,634,782	132,218	5,892,288
Borrowings provided	9,859	2,613,223	-	2,623,082
Other financial assets	4,497	-	-	4,497
Total	**3,105,666**	**14,499,936**	**540,542**	**18,146,144**
Liabilities				
Amounts due to financial institutions	-	455,422	2,098,470	2,553,892
Amounts due to others	-	1,252,284	18,279	1,270,563
Lease liabilities	44,924	-	-	44,924
Provisions and other liabilities	83,070	9,658	7,872	100,600
Total	**127,994**	**1,717,364**	**2,124,621**	**3,969,979**
Net position as of 31 December 2025	**2,977,672**	**12,782,572**	**(1,584,079)**	**14,176,165**

				31 December 2024
	AMD	**Freely convertible currency**	**Non-convertible currency**	**Total**
Assets				
Cash and cash equivalents	2,797,166	2,884,570	1,146,622	6,828,358
Amounts due from financial institutions	142	6,959,973	44,810	7,004,925
Amounts due from customers	38,721	260,427	133,144	432,292
Securities not measured at fair value through profit or loss	568,237	6,475,498	3,249	7,046,984
Borrowings provided	9,752	1,259,234	-	1,268,986
Other financial assets	4,872	-	-	4,872
Total	**3,418,890**	**17,839,702**	**1,327,825**	**22,586,417**
Liabilities				
Amounts due to financial institutions	42	297,446	1,658,812	1,956,300
Amounts due to others	-	4,788,241	189,058	4,977,299
Lease liabilities	24,185	-	-	24,185
Provisions and other liabilities	536,419	10	11,192	547,621
Total	**560,646**	**5,085,697**	**1,859,062**	**7,505,405**
Net position as of 31 December 2024	**2,858,244**	**12,754,005**	**(531,237)**	**15,081,012**

Freely convertible foreign currency primarily represents the US dollar but also includes the currencies of OECD countries. Non-convertible amounts refer to the currencies of the CIS countries, with the exception of the Republic of Armenia.

30.2.2 Liquidity risk

Liquidity risk refers to the Company's ability to meet its financial obligations on time under normal and stressed conditions.

The liquidity management of the Company requires considering the level of liquid assets necessary to settle obligations as they fall due, maintaining access to a range of funding sources. The Company maintains a portfolio of highly marketable assets that can be easily liquidated in the event of an unforeseen interruption of cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities as at 31 December 2025 and 2024 based on contractual undiscounted repayment obligations. See Note 29 for the expected maturities of these liabilities. Repayments on demand are treated as if they were to fall due immediately.

	31 December 2025				
	Demand or less than a month	**1 - 12 months**	**1-5 years**	**Total gross outflow**	**Carrying amount**
Non-derivative financial liabilities					
Amounts due to financial institutions	2,553,892	-	-	2,553,892	2,553,892
Amounts due to others	1,270,563	-	-	1,270,563	1,270,563
Lease liabilities	1,980	21,780	27,720	51,480	44,924
Provisions and other liabilities	100,600	-	-	100,600	100,600
Total undiscounted non-derivative financial liabilities	**3,927,035**	**21,780**	**27,720**	**3,976,535**	**3,969,979**

	31 December 2024				
	Demand or less than a month	**1 - 12 months**	**1-5 years**	**Total gross outflow**	**Carrying amount**
Non-derivative financial liabilities					
Amounts due to financial institutions	1,956,300	-	-	1,956,300	1,956,300
Amounts due to others	4,977,299	-	-	4,977,299	4,977,299
Lease liabilities	2,800	22,400	-	25,200	24,185
Provisions and other liabilities	547,621	-	-	547,621	547,621
Total undiscounted non-derivative financial liabilities	**7,484,020**	**22,400**	**-**	**7,506,420**	**7,505,405**

30.2.3 Operational risk

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

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

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

- requirements for appropriate segregation of duties, including the independent authorization of transactions.
- requirements for the reconciliation and monitoring of transactions.
- compliance with regulatory and other legal requirements.
- documentation of control mechanisms and procedures,
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- requirements for the reporting of operational losses and proposed remedial action.
- development of contingency plans.
- training and professional development.
- ethical and business standards; and
- risk mitigation.

31 Capital adequacy

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

Total capital consists of Tier 1 capital, which comprises share capital, profit for the period.

The Central Bank of Armenia decided to determine the minimum size of total capital 300,000 thousand Armenian drams for the investment companies.

The minimum ratio between total capital and risk weighted assets required by the Central Bank of Armenia is 12%.

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

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

	Unaudited	
	31 December 2025	**31 December 2024**
Tier 1 capital	15,013,707	16,528,288
Total capital	**15,013,707**	**16,528,288**
Risk-weighted assets	47,437,517	43,795,146
Capital adequacy ratio	**32%**	**38%**

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