

# ANNUAL REPORT

2024



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# MESSAGE FROM THE BANK'S EXECUTIVE DIRECTOR

***Dear customers, partners, employees and shareholders***

The year 2024 was characterized by a combination of global and regional challenges, as well as emerging opportunities. Amid this complex environment, ArmSwissBank remained steadfast in fulfilling its mission - ensuring financial stability, supporting local economic growth, and delivering modern, high-quality services to our clients. Our commitment to resilience and innovation has enabled us to navigate uncertainties while reinforcing our role as a trusted financial partner in Armenia and beyond.

The banking system of Armenia continues to serve as one of the most stable and reliable pillars of the national economy, evolving within a framework of healthy competition. In 2024, the sector demonstrated sustained growth across all key indicators, while advancing digital transformation, reinforcing corporate governance standards, and expanding international partnerships. These developments underscore the financial system's resilience and readiness to meet new challenges - positioning it as a vital engine of economic development.

ArmSwissBank continues to actively collaborate with leading international financial institutions, including the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), European Investment Bank (EIB), Factors Chain International (FCI),

the German-Armenian Fund, and the Green Climate Fund (GCF). Through these partnerships, the Bank is introducing innovative financial instruments that support both sustainable business growth and enhanced climate resilience.

Corporate social responsibility is an integral part of the Bank's operations. We do not limit our efforts to financial outcomes alone, recognizing our role in promoting the sustainable development of society. In 2024, ArmSwissBank actively initiated and participated in a number of environmental, social, educational, and cultural programs. These included reforestation activities, support to border communities, and targeted initiatives to assist children and vulnerable groups.

All of these programs were shaped and implemented with the direct involvement, dedication, and even personal contributions of the Bank's employees - demonstrating our shared commitment to social impact and responsible citizenship.

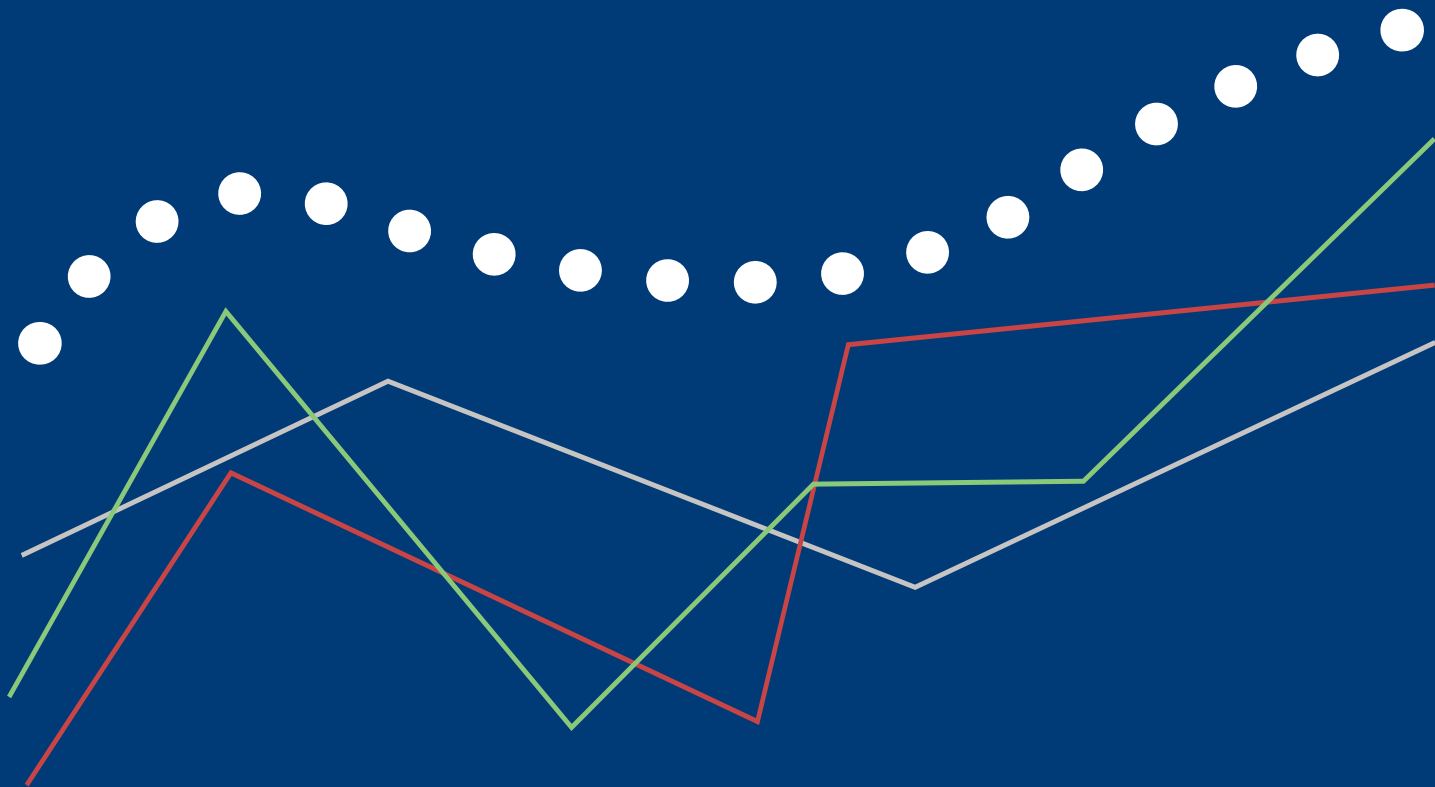
In summarizing the year, we emphasize that our achievements have been made possible through dedicated teamwork, a consistent strategic approach, and the trust of our clients, partners, and shareholders. Their continued confidence remains the foundation of our success and future growth.

We envision the future as a period of transformation and shared progress. ArmSwissBank looks forward with confidence and determination. Our priority remains unchanged - to be an innovative, responsible, and trustworthy financial partner.

I extend my sincere gratitude to the entire staff of the Bank, the Board of Directors, our shareholders, clients, partners, and all those who continue to walk this journey with us.

Sincerely,  
Chairman of the Management Board,  
Executive Director  
**GEVORG MACHANYAN**

# THE BANK



**KEY INDICATORS AND  
ACHIEVEMENTS**

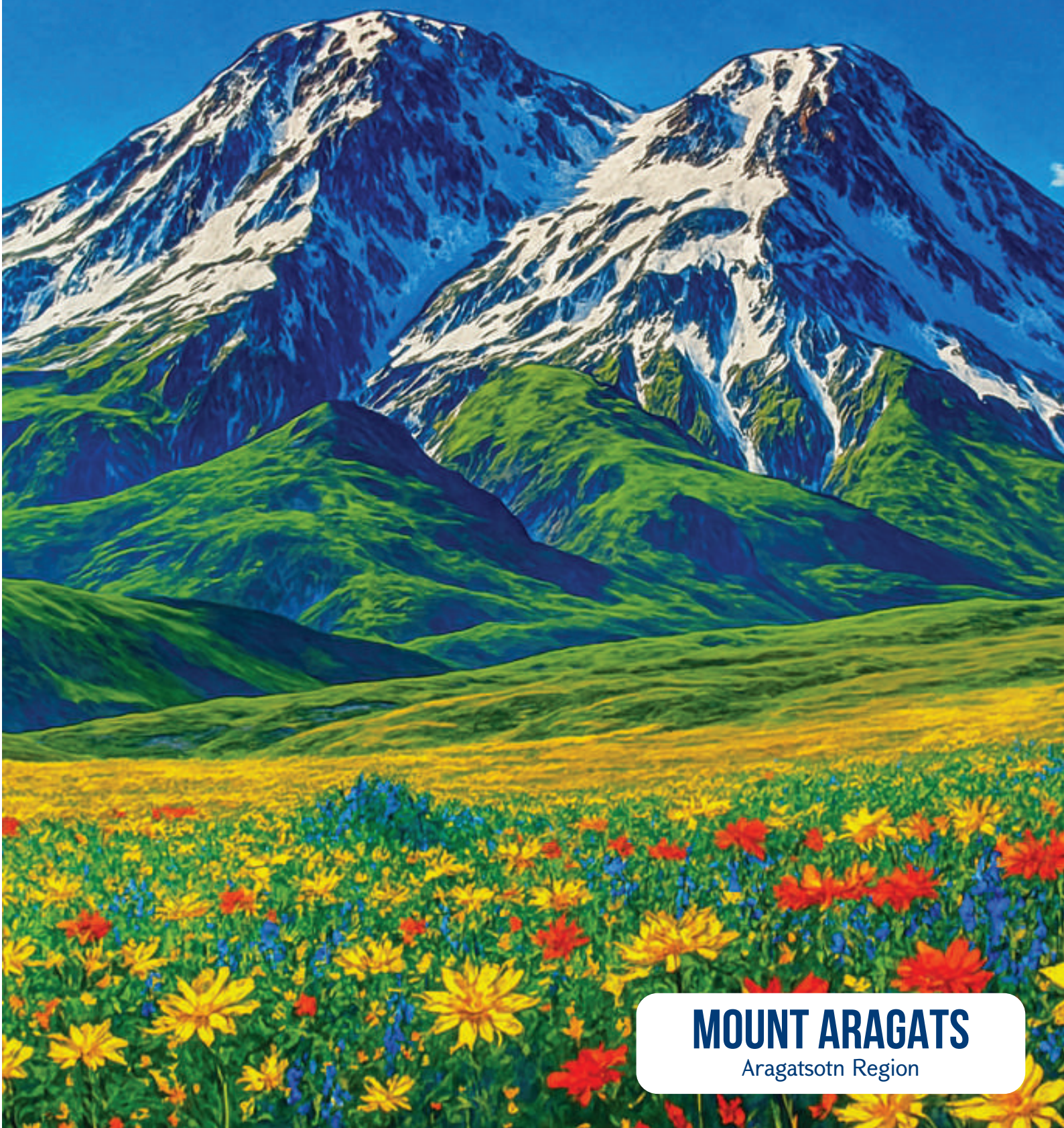


**LENDING**



**INVESTMENT ACTIVITIES**





**MOUNT ARAGATS**  
Aragatsotn Region



## THE BANK'S MISSION

Our mission is to provide our customers with innovative and advanced banking services accepted in international markets through our skilled and professional staff by giving of our time and resources and, at the same time, adhering to the Bank's commitment to social responsibility and its mission of providing sustainable financing.

## THE BANK'S VISION

Our vision is to be the leading corporate and investment Bank in the Republic of Armenia, being customers' best choice by offering an integrated, flexible and distinctive bundle of banking services and sustainable financing.

## THE BANK'S VALUES



### PROFESSIONALISM

To achieve the best results our experienced and highly qualified professionals continuously enhance the level of their professionalism and exchange their knowledge and experience.



### PARTNERSHIP

To achieve mutually beneficial results, we highly appreciate the persistent and long-lasting cooperation with our customers and partners. We cooperate in a spirit of partnership with our employees by ensuring their participation in the strategic plan implementation.



### RELIABILITY

Being a reliable partner, we prefer to cooperate with sustainably based reliable partners.



### SAFETY

We've created a "reliable bank" image for our customers and will strive to maintain it by assuring the Bank's stability and its continuous steady growth.



### INTEGRITY

We care about our reputation, which is why we highly appreciate mutual trust and business ethics.

## OUR ACHIEVEMENTS

### EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD)

- In 2024, within the framework of the EBRD Annual Meeting, and based on the previous year's performance under the Trade Facilitation Programme (TFP), ArmSwissBank CJSC was recognized for the sixth consecutive year as the **"Most Active Issuing Bank in Armenia in 2023"**.
- The Bank secured a USD 10 million credit package aimed at supporting the financing of initiatives focused on enhancing SME competitiveness and promoting the "green transition."

### ASIAN DEVELOPMENT BANK (ADB)

- For the third time, ArmSwissBank was honored with the **"Leading Partner Bank in Armenia"** award by the Asian Development Bank (ADB) during the annual Trade Finance Program awards ceremony.

### EUROPEAN INVESTMENT BANK (EIB)

- A Technical Assistance Agreement was signed between ArmSwissBank and the European Investment Bank (EIB) within the framework of the **Greening Financial Systems Technical Assistance Program (GFS TAP)**, financed by the EIB.
- "As a result of cooperation with EIB Global, the development arm of the European Investment Bank (EIB), a EUR 16 million loan agreement was signed to enhance financial access for micro, small, and medium-sized enterprises (MSMEs) in Armenia."

### MODERN PAYMENT SOLUTIONS

- The Bank has joined the **Apple Pay and Google Pay** payment platforms, ensuring simple, secure and contactless payments.

### ARMSWISSBANK BECAME A MAIN MEMBER OF VISA INTERNATIONAL

- "This partnership enables us to deliver modern and innovative payment solutions to our customers."

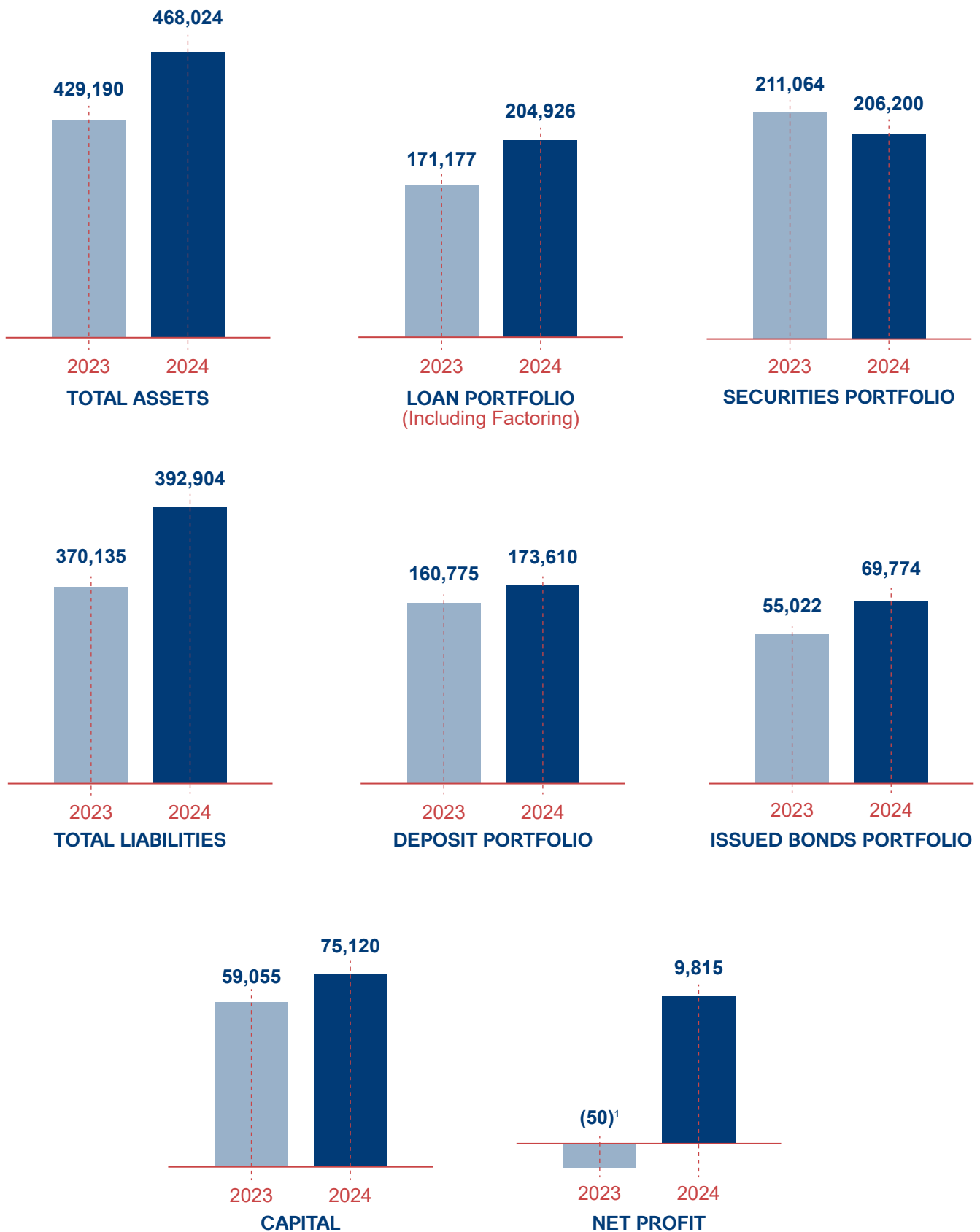
### COOPERATION WITH "ARMENIA INSURANCE" LLC

- "As a result of the cooperation between the Bank and "ARMENIA INSURANCE" Insurance Limited Liability Company (LLC), customers now have access to voluntary leasing advance payment insurance services."



## KEY INDICATORS AND ACHIEVEMENTS

Core Indicators (million AMD)



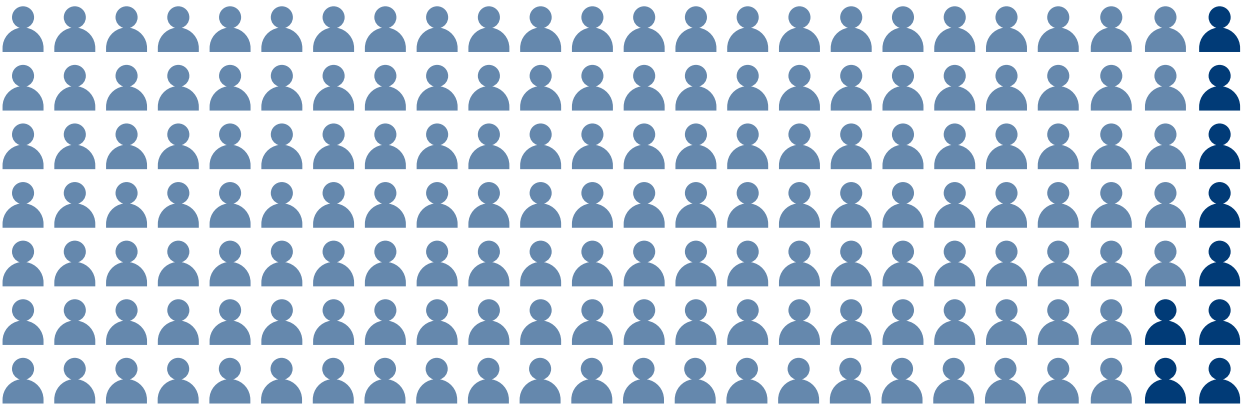
1. At the end of 2023, the government of the RA placed the portfolio of state bonds of the Republic of Artsakh in all financial institutions with state bonds of the RA and applied a 30% discount. Therefore, the Banks had to recognize the discounted portfolio as a loss. Otherwise, the net profit of ARMSWISSBANK would be AMD 7.3 billion.

# OTHER INDICATORS

## EMPLOYEES (annual average)

167  
2024

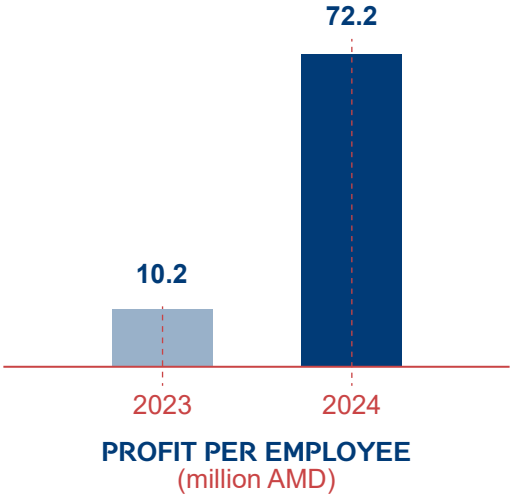
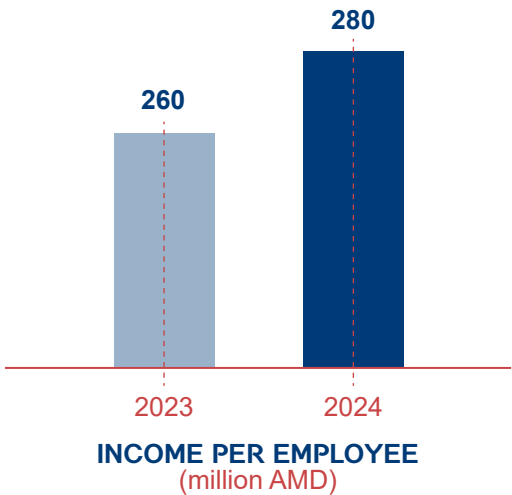
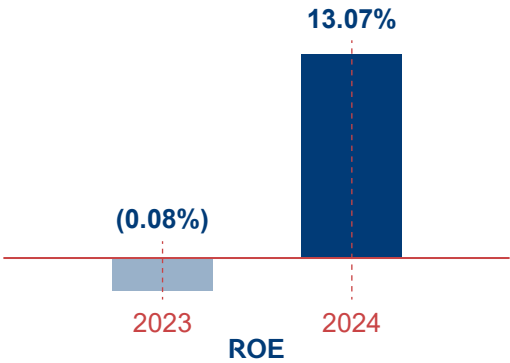
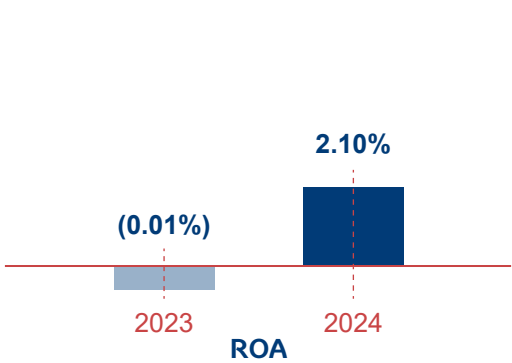
159  
2023



## CLIENTS



## COEFFICIENTS



# LENDING

*The main indicators and events characterizing the credit activity of the Bank in 2024.*

## LOAN INSTRUMENTS AND LOAN PORTFOLIO

Lending to the real economy remains one of the Bank's strategic and core business priorities. As of December 31, 2024, the total loan portfolio accounted for approximately 43.8% of the Bank's total assets.

In line with its adopted lending policy, the Bank continues to prioritize clients with stable operations, clear development prospects, robust management systems, and strong reputations. The Bank is also committed to fostering partnerships with customers who actively use or express interest in its broader range of financial services.

**The Bank continues offering its customers a wide range of credit instruments, including:**



Loans, credit lines, overdrafts, including card overdrafts,



Bank guarantees, letters of credit,



Purchase order financing, pre-export and post-export financing, factoring,



Project financing, including financing of renewable energy, energy-efficient projects,



Leasing financing and other services based on customer needs.

Depending on the individual needs of each customer, the Bank often combines multiple loan instruments or strategically sequences them based on factors such as purpose, maturity, and source of repayment. This approach allows the Bank to provide clients with more flexible and tailored financial solutions under favorable terms.



## The main sectors of the economy that the Bank finances include the following:

PRODUCTION	ENERGY	TRADE, AGRICULTURE	RESIDENTIAL CONSTRUCTION, TOURISM
(food industry, fish farming, light industry, etc.), including export industry	especially renewable energy projects	(production of agricultural products, processing, the establishment of orchards, etc.)	

The Bank offers medium- and long-term financing instruments to support capital investments, energy efficiency improvements, and working capital replenishment. For trade finance purposes, the Bank primarily provides short-term financing solutions.

As of December 31, 2024, ArmSwissBank ranked 8th among Armenian banks in terms of the volume of its loan portfolio to legal entities, accounting for approximately 5.0% of the total loan portfolio of the banking system of the Republic of Armenia.<sup>2</sup>

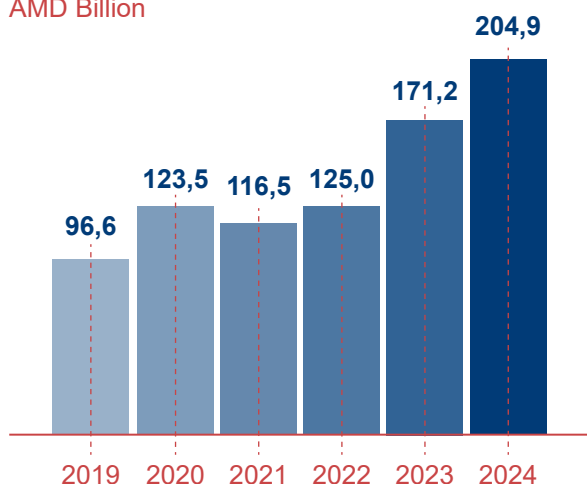
Within its personal lending services, the Bank has been steadily expanding its presence in the mortgage market, offering customers competitive financing solutions for the purchase or renovation of residential property.

The Bank's loan portfolio is financed through a combination of its own resources and program-based funding provided by local and international financial institutions. As of the end of 2024, program financing accounted for approximately 14.2% of the total loan portfolio.

As of December 31, 2024, ArmSwissBank's total loan portfolio amounted to approximately AMD 204.9 billion, reflecting a 19.7% increase compared to the same period of the previous year. Interest income from loan investments reached around AMD 20.1 billion, marking a year-on-year growth of approximately 34.0%.

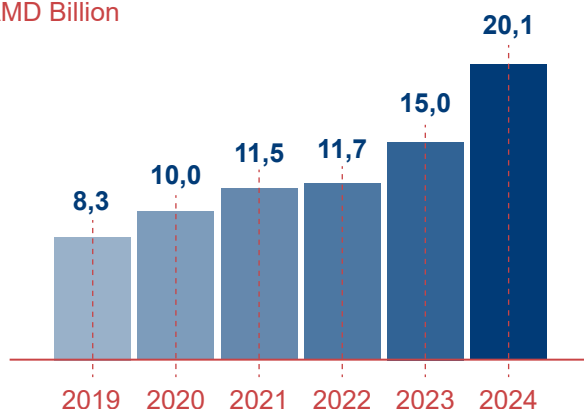
### THE LOAN PORTFOLIO

AMD Billion



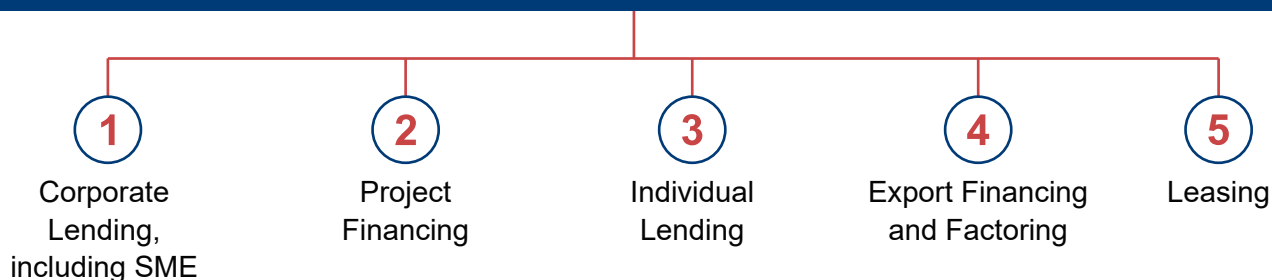
### THE DYNAMICS OF LOAN PORTFOLIO AND INTEREST INCOME FROM LENDING ACTIVITIES

AMD Billion



2. According to the annual analytical report No. 121 of Arminfo Agency dated 26.02.2025.

## The main directions of the Bank's lending are:



\* The indicators used in this section are presented by the principles set by the Central Bank of Armenia.

### CORPORATE LENDING, INCLUDING SME

The majority of the Bank's loan portfolio is concentrated in this sector, which, as of the end of 2024, amounted to about 49.2%<sup>3</sup> of the total loan portfolio.

The corporate loan portfolio includes loans for large and SME clients for their capital investments and working capital, including trade finance, agricultural loans (within the framework of government programs), leasing, credit lines, overdrafts, etc., except loans granted within the scope of project financing (which is presented in a separate section). Target customers for the Bank are those who organize production, including import substitution, and have export potential, for which the Bank has and constantly develops several services that meet international standards.

The corporate loan portfolio comprises loans and financial leases extended to large enterprises and small and medium-sized enterprises (SMEs) for working capital replenishment, capital investments, trade financing, as well as loans provided in the agricultural sector under state-supported programs. The portfolio also includes credit lines, overdrafts, and other similar financial instruments, excluding loans issued under project financing schemes, which are presented separately.

The Bank's target clients are manufacturing enterprises, including those engaged in import substitution and those with export potential. For these clients, the Bank offers and continuously enhances a wide range of modern, diversified financial services in line with international standards.

At the same time, the volume of leasing instruments has increased significantly, driven by the availability of government subsidy programs in the relevant sector. In 2025, corporate lending is projected to grow by approximately 6.3%. To achieve this target, the Bank plans to mobilize financial resources on favorable terms and strengthen cooperation with both existing and potential clients.

3. This indicator excludes accounts receivable financing as well as pre-export and post-export loans to legal entities, which are reported under the 'Export Financing and Factoring' section.

## PROJECT FINANCING

The Bank's project financing portfolio supports new business ventures across renewable energy, construction, agriculture, and various other sectors. By the end of 2024, this segment accounted for more than 26.6% of the total loan portfolio, marking a year-on-year increase of approximately 13.9%. Of this, program loans made up 25.2%.

As of the end of 2024, the Bank has successfully financed about 170 solar power plant construction projects, which in terms of volume is one of the best indicators in the banking system of the Republic of Armenia.

These results were achieved through both the availability of favorable financing conditions under international funds and programs, as well as the effective utilization of the Bank's own resources. During the same period, the Bank financed 22 construction projects using a combination of its own funds and program-based financing.

The Bank is also the first to finance the construction of an energy-efficient residential building under the German-Armenian Fund's 'Energy Efficiency for SMEs' program. This initiative is ongoing, and the Bank continues to expand its portfolio in this area, actively promoting the development of energy-efficient and sustainable construction in Armenia.

## INDIVIDUAL LENDING

While the Bank does not actively target the broader retail banking market, it places particular emphasis on the mortgage lending sector, which has demonstrated stable growth trends in recent years. Mortgage lending plays a key role in the context of construction projects financed by the Bank, supporting effective credit risk management and ensuring the continuity and successful implementation of these projects.

As of the end of 2024, the personal loan portfolio - including consumer loans - accounted for over 18.5% of the Bank's total loan portfolio, reflecting a year-on-year increase of approximately 41.4%.

In 2023, within the framework of the programs of "Home for Youth" RCO CJSC and "The National Mortgage Company" RCO CJSC, the Bank began to cooperate with the "State Support Program for Military Servicemen", within the framework of which mortgage loans for the purchase and construction of real estate are provided to customers.

Although specialized in the corporate banking market, the Bank offers individual loans (mortgage, consumer and credit loans) to the owners, management staff and employees of the Bank's corporate clients.

## TRADE FINANCING AND FACTORING (DOMESTIC AND INTERNATIONAL)

Trade finance and factoring represent core and strategic areas of the Bank's lending activities, in which the Bank has maintained a leading position within the banking system of the Republic of Armenia for many years. This leadership is further affirmed by the prestigious trade finance



awards granted to the Bank by its international partners, including the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB) and Export Insurance Agency of Armenia (EIAA) CJSC.

Export financing is of key importance for the Bank in the field of trade finance.

In the field of export financing and factoring, the Bank offers domestic factoring and receivables financing, which help clients effectively manage working capital and reduce the risks of payment delays.

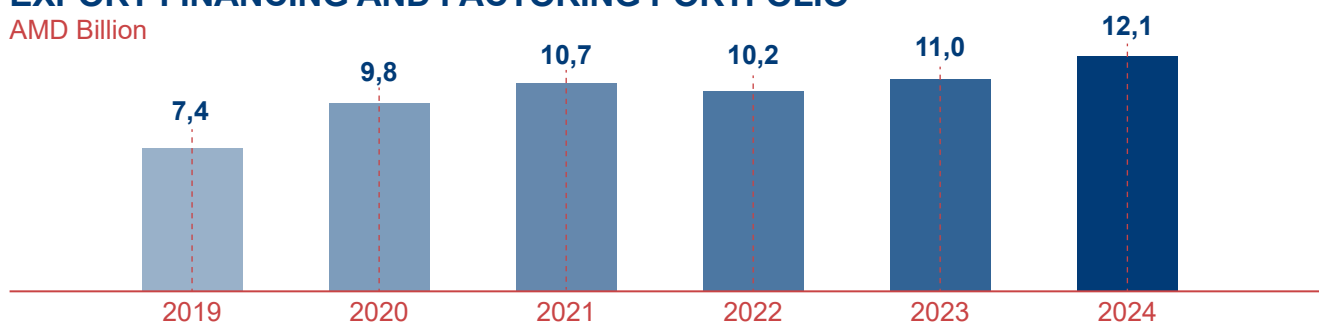
Within the framework of export financing and factoring the Bank offers its customers domestic factoring and accounts receivable financing, and in cooperation with its partner financial organizations (EBRD, ADB, EDB, IBEC, Export Insurance Agency of Armenia (EIAA), Banks of the International Factoring Association) provides clients internationally accepted all trade finance tools, including letter of credit, collection, international guarantee, post-export and pre-export financing.

As of the end of 2024, the Bank's export financing and factoring portfolio amounted to AMD 12.1 billion, reflecting an increase of approximately 9.7% compared to the previous year. The total factoring portfolio accounted for around 5.7% of the Bank's total loan portfolio. Given the short-term nature of factoring instruments, it is also notable that the total amount of financing provided through factoring in 2024 reached approximately AMD 33.3 billion.

Below is the dynamics of the export financing and factoring portfolio volumes.

## EXPORT FINANCING AND FACTORING PORTFOLIO

AMD Billion



As of the end of 2024, the portfolio of pre-export and post-export loans remained largely unchanged compared to the end of 2023. In this context, the Bank continues its active cooperation with EIAA and maintains its position as the most active partner in the export financing segment within the Armenian banking system.

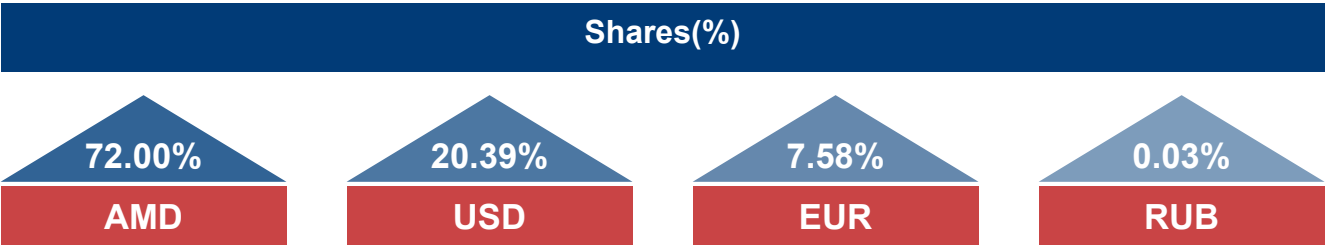
The Bank's factoring services are primarily utilized by companies operating in light industry, fish farming, the beverage industry, fruit and vegetable processing and canning, freight transportation, as well as wholesale and retail trade.

At the same time, the Bank continues to actively engage in attracting new financial partners, with the aim of expanding trade financing opportunities and strengthening support for export and import operations.

## CREDIT RISK MANAGEMENT

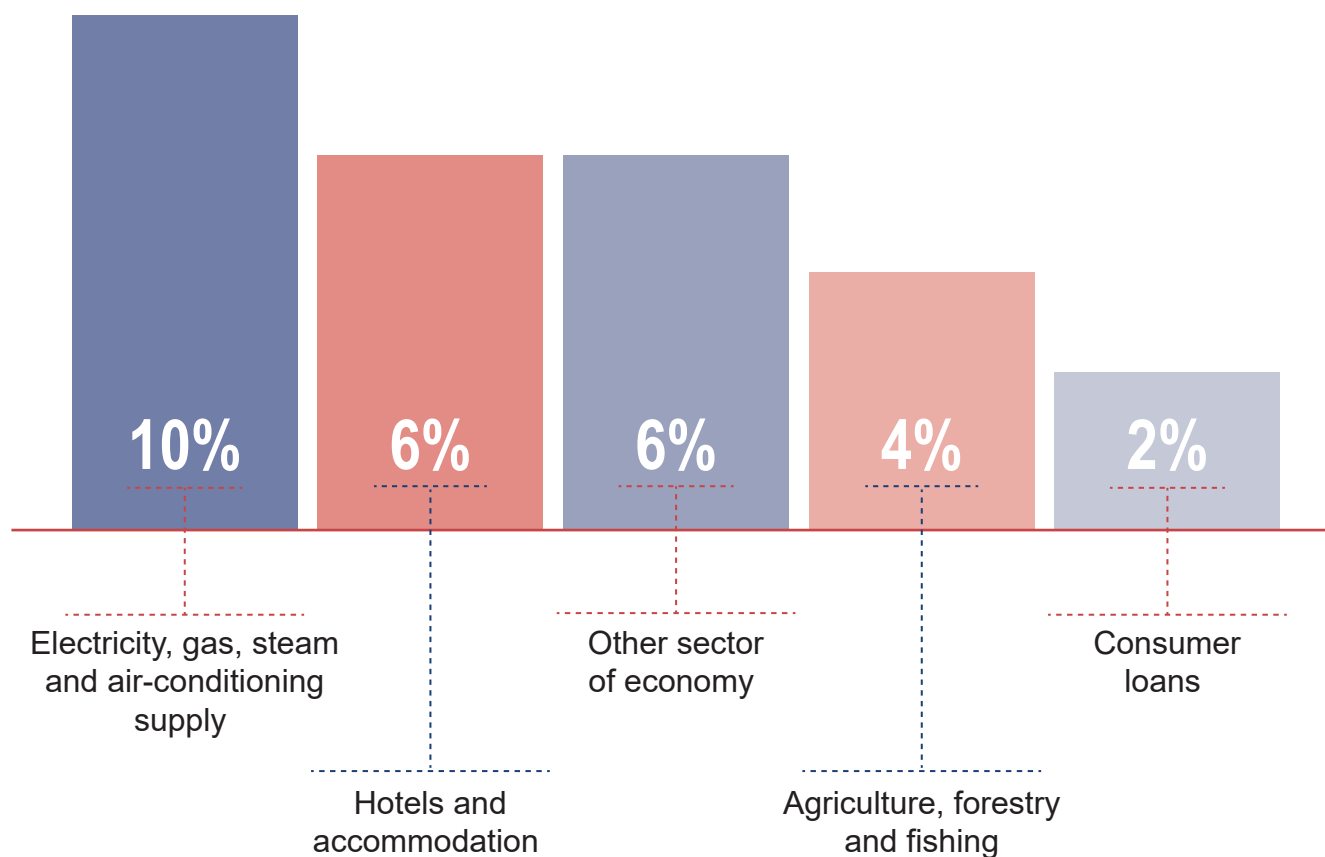
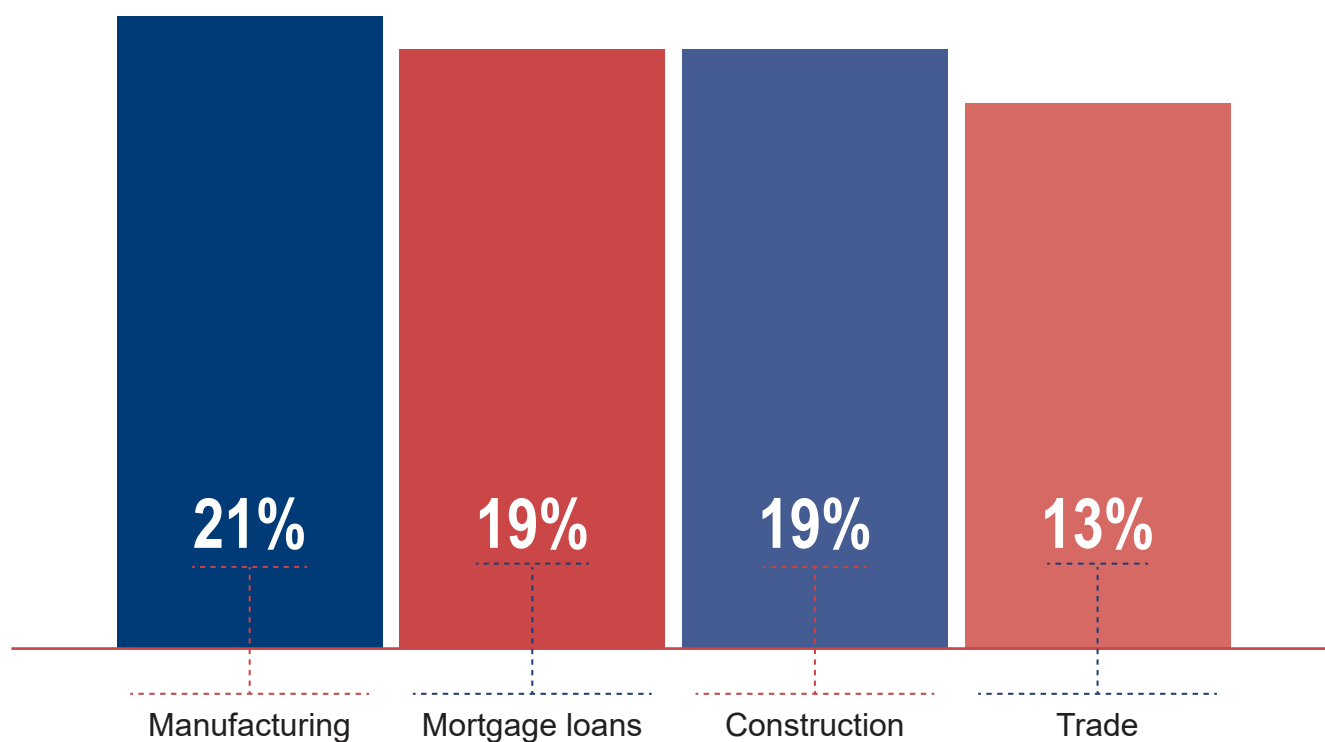
As part of its effective credit risk management strategy, ArmSwissBank places particular emphasis on the diversification of its loan portfolio by currency, geographical location, industry, and sector, thereby mitigating concentration risks associated with specific industries.

Currency Structure of the Loan Portfolio as of December 31, 2024



Over the past three years, the loan portfolio has shown a significant increase in the share of loans denominated in AMD. As of the end of 2024, AMD-denominated loans accounted for 72.00% of the total loan portfolio, compared to 64.27% in 2023 and 61.01% in 2022. Conversely, the share of USD-denominated loans has declined over the same period, amounting to 20.39% in 2024, down from 26.35% in 2023 and 30.11% in 2022.

## DISTRIBUTION OF THE LOAN PORTFOLIO BY ECONOMIC SECTORS





# INVESTMENT ACTIVITIES

Investment activities represent one of the Bank's strategic business directions. The Bank invests in government bonds and corporate securities, while also offering clients a comprehensive suite of investment services.

## SECURITIES TRANSACTIONS AND PORTFOLIO OVERVIEW

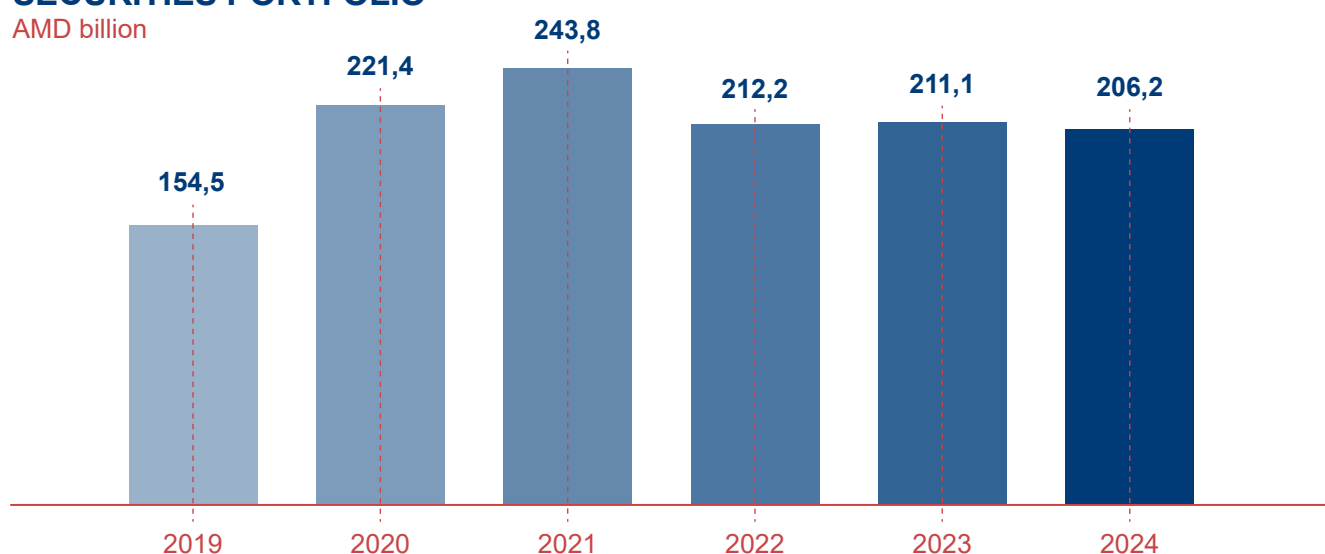
As of December 31, 2024, ArmSwissBank's securities portfolio - including securities purchased and sold under repo agreements - amounted to AMD 206.2 billion at book value. Compared to the corresponding figure for 2023, the portfolio volume remained largely unchanged, reflecting the Bank's investment strategy and internal policy aimed at maintaining a stable and balanced securities portfolio.

The securities portfolio accounted for 44.0% of the Bank's total assets, positioning ArmSwissBank among the leaders of the Armenian banking system and ranking it third in terms of securities portfolio volume<sup>4</sup>.

The volume of the securities portfolio fluctuated throughout the year, reflecting the Bank's active participation in the secondary market, including securities trading as well as repo and reverse repo transactions in the Armenian dram market. This approach aligns with the Bank's investment strategy and continues to contribute to the strengthening of its financial performance.

## SECURITIES PORTFOLIO

AMD billion



4. According to Arminfo Agency's annual analytical report No. 117 dated 26.02.2025.

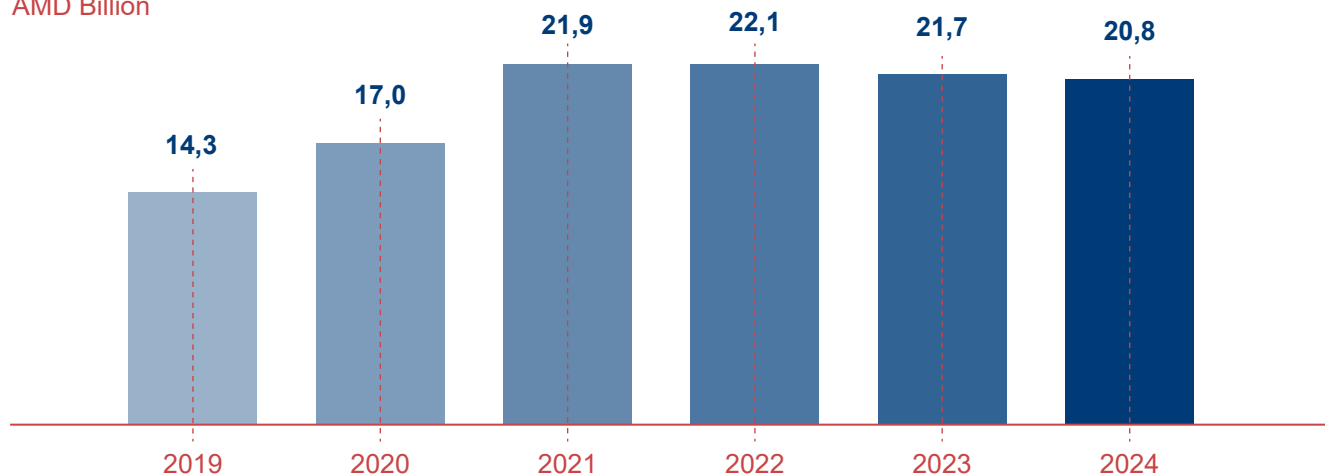
As of the end of 2024, government bonds comprised approximately 95.4% of the Bank's securities portfolio, while non-government bonds and shares of Armenian companies accounted for the remaining 4.6%. The government bonds category also includes Eurobonds issued by the Ministry of Finance of the Republic of Armenia.

In 2024, the total average annual return on the securities portfolio, including income from the sale of securities, was 9.56%, while the average return on the government bond portfolio stood at 9.57%.

In 2024, interest income from the securities portfolio amounted to approximately AMD 20.8 billion, representing 48.70% of the Bank's total interest income.

## THE DYNAMICS OF INTEREST INCOME FROM THE SECURITIES PORTFOLIO

AMD Billion



The Bank continuously provides daily bond quotations, which are published on its official website.

## INVESTMENT SERVICES

ArmSwissBank has continuously enhanced and expanded its investment services, offering clients comprehensive and customized solutions. The Bank currently provides a wide range of services, including securities brokerage, custody services, issuer registration, securities issuance and placement, secondary market liquidity provision, investment consulting, and other related services.

Within the framework of registration and custody services provided by the depository through the Bank, as of December 31, 2024, ArmSwissBank maintained the securities registers of 166 issuers, including 29 bond registers and 352 account holder custody accounts. The volume of securities registered in the Bank's deposit accounts increased by 21.80% compared to the previous year. The securities entrusted to the Bank for custody by clients primarily include government and corporate securities from the United States, Europe, Russia, and Armenia.

As of December 31, 2024, within the framework of its market maker services, the Bank acted as a market maker for 22 bonds issued by 9 different issuers, the majority of which were bonds issued by commercial banks and other financial institutions of the Republic of Armenia.

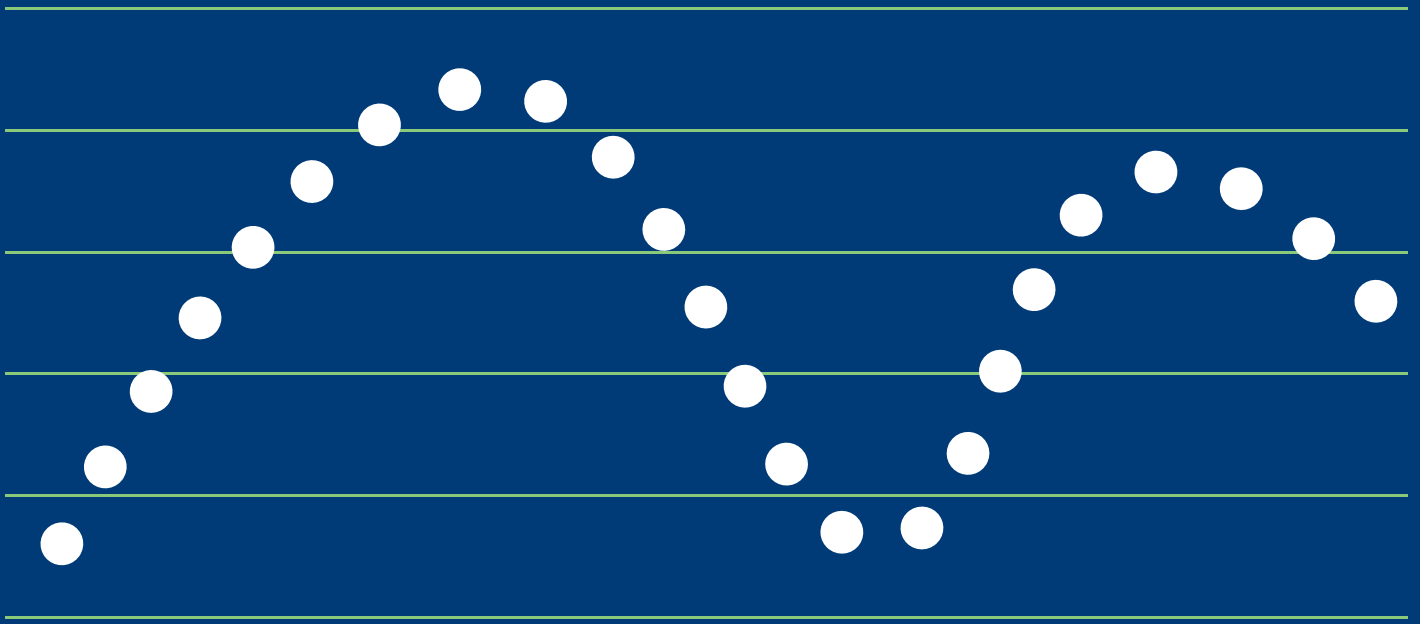
The Bank is active in the short-term money market and for liquidity management attracts from the market or provides short-term financing to local and international partners using repo, swap instruments, interbank loans, etc. Besides, the Bank operates in the financial market with banks and non-bank financial institutions /credit organizations, insurance and investment companies/ enabling them to invest in various financial instruments in Armenian and international financial markets.

## **CURRENCY AND GOLD OPERATIONS**

In 2024, ArmSwissBank maintained a high level of activity in the foreign exchange market, cooperating with both local and international banks. The Bank continued to conduct transactions through electronic platforms designed for real-delivery foreign exchange trading, which significantly reduces the risks associated with interbank transactions and enhances operational efficiency.

In 2024, the Bank continued to actively engage in gold bullion and non-cash gold transactions, further expanding its presence in the precious metals market.

# FINANCES



**FUND  
ATTRACTION**



**FINANCIAL  
INDICATORS**





## PAHAKASAR MOUNT

Vayots Dzor Region

# ATTRACTION OF FUNDS

The Bank's management places strong emphasis on attracting affordable and long-term financial resources, recognizing this as a key prerequisite for the expansion and sustainable growth of its business operations.

In doing so, the Bank employs a variety of instruments for resource mobilization, guided by the principles of diversification - across currencies, maturities, instruments, and client segments.

The main avenues for attracting funds include:



Mobilizing demand and term deposits from both corporate and individual clients.



Attracting funds from international and domestic financial institutions.



Raising term funding through the issuance and placement of the Bank's own bonds, which helps reduce the cost of attracted resources, lower the risk of early repayment, and ensure diversification of the creditor base.



Attracting funds from the RA interbank market through repo transactions.

## MOBILIZATION OF DEPOSITS

Deposits remain a traditional and reliable instrument for attracting financial resources. The Bank offers the following types of term deposits to both corporate and individual clients:

**STANDARD DEPOSIT**

**VARIABLE DEPOSIT**

**CUMULATIVE DEPOSIT**

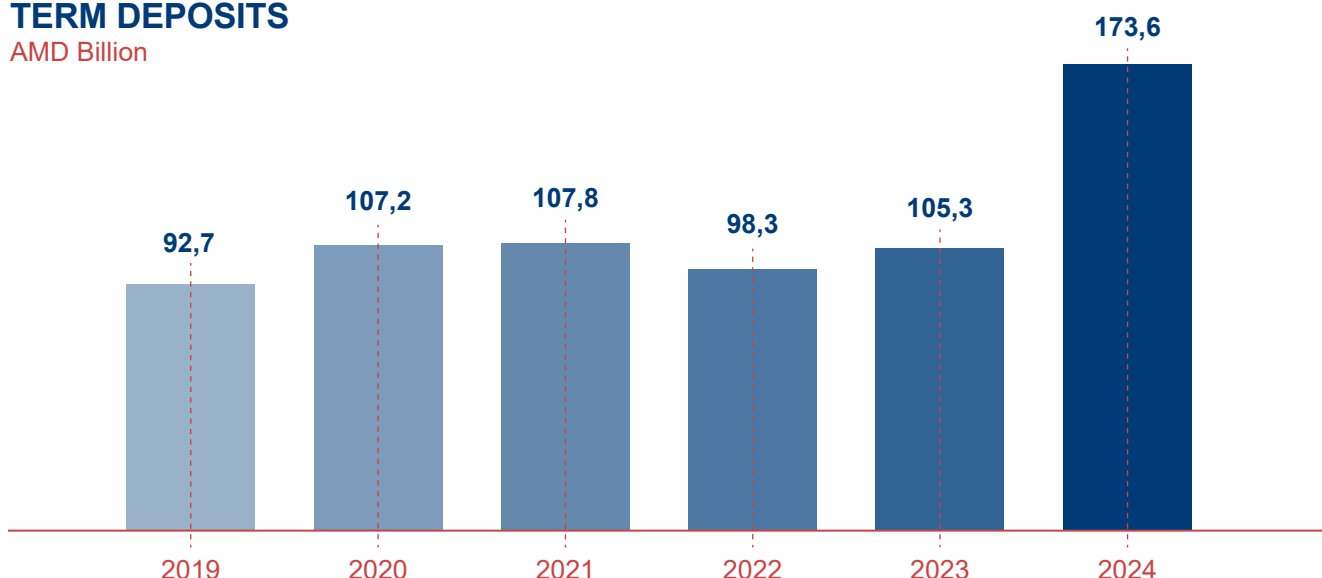
Deposits placed by individuals with the Bank are guaranteed by the Deposit Guarantee Fund, within the limits prescribed by law.

Taking into account the specifics of its business model and the Bank's policy of not providing mass-market banking services, the Bank has established fixed minimum deposit amounts: 10 million Armenian drams for deposits in AMD, and 20,000 US dollars, 20,000 euros, and 1 million Russian rubles for deposits in USD, EUR, and RUB, respectively.



## TERM DEPOSITS

AMD Billion



## COOPERATION WITH FINANCIAL ORGANIZATIONS

Year by year, the Bank strengthens its cooperation with both local and international financial institutions, enabling it to offer customers new and affordable credit solutions. At the same time, the involvement of international funding partners also ensures access to technical assistance, contributing to the enhancement of the Bank's internal capacities.

The Bank's main partners are listed below.

The Bank has a history of more than 15 years of successful cooperation with the EBRD. Since 2010, in addition to trade finance, it has achieved notable progress in SME lending and in the implementation of the GCF-GEFF Armenia energy efficiency programs.

The effective and continuously growing cooperation between the EBRD and the Bank in the field of trade finance is further evidenced by the Bank being awarded the title of "Most Active Issuing Bank in Armenia 2023", based on its performance under the Trade Finance Program (TFP) in the previous year. The award was presented during the EBRD Annual Meeting held in Yerevan on May 14–16, 2024.

In 2024, ArmSwissBank advanced to the second stage of the accreditation process with the Green Climate Fund (GCF). Upon successful completion, the Bank will gain the opportunity to attract long-term and affordable financial resources, more favorable than market terms, as well as to act as an intermediary between the Fund and investors in the Republic of Armenia. The purpose of these meetings was to establish new partnerships, assess opportunities for financial engagement, and explore prospects for developing joint programs.

ArmSwissBank continues its effective cooperation with the Asian Development Bank (ADB) under the Trade Finance Program (TFP). The Bank's approved limit amounts to USD 9 million. On September 3, 2024, during the 10th Annual TFP Awards held in Singapore, the Bank was recognized for the third consecutive year as the "Leading Partner Bank in Armenia" in the field of trade finance.

The Bank actively participates in several programs implemented through the German-Armenian Fund (GAF) by KfW and the European Investment Bank (EIB), which enables the Bank to offer its clients affordable and competitive loans in Armenian drams within the framework of these programs.

The Eurasian Development Bank (EDB), with a limit of USD 5 million, and the International Bank for Economic Cooperation (IBEC), with a limit of EUR 5 million, are among the Bank's partner institutions. These partnerships enable the Bank to provide various trade finance instruments—such as letters of credit, guarantees, and RCA financing—within the countries covered by these institutions. However, due to the relatively unattractive interest rates applied to certain instruments (e.g., refinancing of RCAs), their use remains limited at this stage.

The Bank has joined the Visa International payment system as a principal member. This important step enables the Bank to expand its range of services by offering clients modern, secure, and innovative payment solutions in line with high international standards.

Since 2024, the Bank has been offering its clients access to modern payment solutions such as Apple Pay and Google Pay. These platforms provide simple, fast, and secure cashless payments, making financial transactions more convenient, efficient, and safe.

The Bank and Armenia Insurance Company have signed a Memorandum of Understanding (MoU) within the framework of financing the acquisition of leasing objects. According to the MoU, the parties will combine their efforts to offer clients the opportunity for voluntary insurance of the leasing down payment, which significantly enhances both the accessibility and flexibility of financing.

Within the framework of the pre-export and post-export loan financing program, the Bank will continue to expand export lending secured by a certificate issued by the Export Insurance Agency of Armenia (EIAA) CJSC.

The Bank remains the most active partner institution cooperating with EIAA in the banking system of the Republic of Armenia and regularly discusses opportunities for introducing new instruments to make the export financing process more efficient and beneficial for its clients.

In 2025, the Bank will continue its active cooperation with international and local financial partners while also engaging new partners.

These partnerships will focus on SMEs, energy efficiency, agricultural and food programs, and other initiatives, with the goal of providing additional financial resources on favorable terms.

It is planned to establish direct cooperation with the European Investment Bank (EIB) and the European Investment Fund (EIF) within the framework of the EU4Business Capped Guarantee instrument, and the relevant processes have already been initiated.

It should be noted that in 2025, the Bank plans to join the UNEP FI and PCAF initiatives, which will enable the integration of leading international practices and provide a range of benefits aimed at improving service quality and enhancing social and environmental responsibility.

Being one of the active participants in the Armenian government and corporate securities market, the Bank has also initiated the implementation of its own bond issuance and placement programs starting from 2024.

As of December 31, 2024, 15 bond issuances by the Bank are in circulation. The details are presented below.

In 2024, the Bank issued 6 bonds with a total volume of AMD 14.6 billion, USD 17.8 million, and EUR 2.1 million.

In 2023, the Bank issued 3 bonds: AMD 6 billion, USD 6 million and EUR 8.5 million. The allocation of USD and EUR bonds was reopened from December 4 to 2024 April 30, 2023.

As of December 31, 2024, the Bank has 22 listed bonds on the stock exchange trading platform. In 2024, 2 bond issuances by the Bank were redeemed.

All bonds issued by the Bank are listed and traded on the Armenia Securities Exchange following the completion of their placement.

At the same time, to ensure the liquidity of the bonds, the Bank utilizes the services of a market maker, which has secured two-way quotations during trading sessions on the Armenia Securities Exchange.

The bonds issued by the Bank are among the most liquid and in-demand securities in the market.

It is also noteworthy that the bonds issued by the Bank enjoy strong demand in the market, as evidenced by their quotations on the Securities Exchange.



Description of the bonds issued, placed, and redeemed by the Bank  
as of December 31, 2024.

	Issue value	Issue volume	Duration	Coupon	Maturity date	Nominal value
<b>2015</b>						
<b>SWISB1</b>	USD	2,000,000	3 year	7.50 %	16.04.2018	1,000
<b>SWISB2</b>	USD	3,000,000	4 year	8.00 %	16.04.2019	1,000
<b>SWISB3</b>	USD	5,000,000	5 year	8.50 %	27.04.2020	1,000
<b>2017</b>						
<b>SWISB4</b>	USD	10,000,000	7 year	6.75%	15.06.2024	100
<b>SWISB5</b>	EUR	10,000,000	6 year	5.00%	15.06.2023	100
<b>SWISB6</b>	AMD	2,000,000,000	4 year	12.75%	15.06.2021	50,000
<b>2018</b>						
<b>SWISB7</b>	AMD	3,000,000,000	5 year	11.50%	24.05.2023	50,000
<b>SWISB8</b>	USD	6,000,000	7 year	6.50%	23.05.2025	100
<b>SWISB9</b>	USD	10,000,000	6 year	6.00%	22.11.2024	100
<b>2019</b>						
<b>SWISB2A</b>	USD	5,000,000	6 year	6.50%	02.05.2025	100
<b>SWISB2B</b>	EUR	3,000,000	4 year	4.00%	02.05.2023	100
<b>2020</b>						
<b>SWISBC</b>	AMD	10,000,000,000	5 year	9.00%	01.06.2025	50,000
<b>SWISBD</b>	USD	10,000,000	6 year	6.00%	01.06.2026	100
<b>SWISBE</b>	EUR	10,000,000	5 year	3.50%	01.06.2025	100
<b>SWISBF</b>	AMD	10,000,000,000	6 year	8.50%	28.09.2026	50,000
<b>2023</b>						
<b>SWISBH</b>	AMD	10,000,000,000	4 year	11.75 %	01.06.2027	50,000
<b>SWISBI</b>	USD	10,000,000	4 year	6.00 %	01.06.2027	100
<b>SWISBJ</b>	EUR	9,400,000	4 year	4.50 %	01.06.2027	100
<b>2024</b>						
<b>SWISBK</b>	AMD	4,650,000,000	2 year	10.00%	21.10.2026	50,000
<b>SWISBL</b>	AMD	5,000,000,000	3 year	10.00%	12.08.2027	50,000
<b>SWISBM</b>	AMD	5,000,000,000	4 year	10.20%	10.06.2028	50,000
<b>SWISBN</b>	USD	2,800,000	3 year	6.00%	21.10.2027	100
<b>SWISBO</b>	USD	15,000,000	4 year	6.25%	10.06.2028	100
<b>SWISBP</b>	EUR	2,100,000	4 year	5.00%	10.06.2028	100

# FINANCIAL INDICATORS

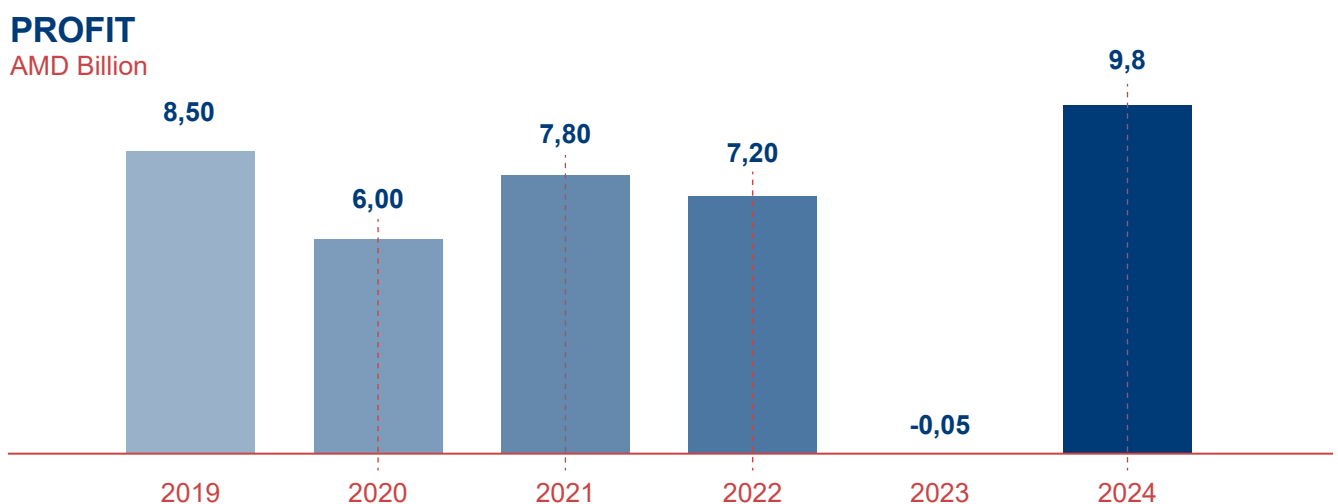
In 2024, ArmSwissBank generated a net profit of approximately AMD 9.8 billion, marking a significant increase compared to the previous year.

The growth in profitability was mainly driven by the year-over-year expansion, intensification, and continuous improvement in the quality of services provided by the Bank, which led to an increase in both interest and non-interest income.

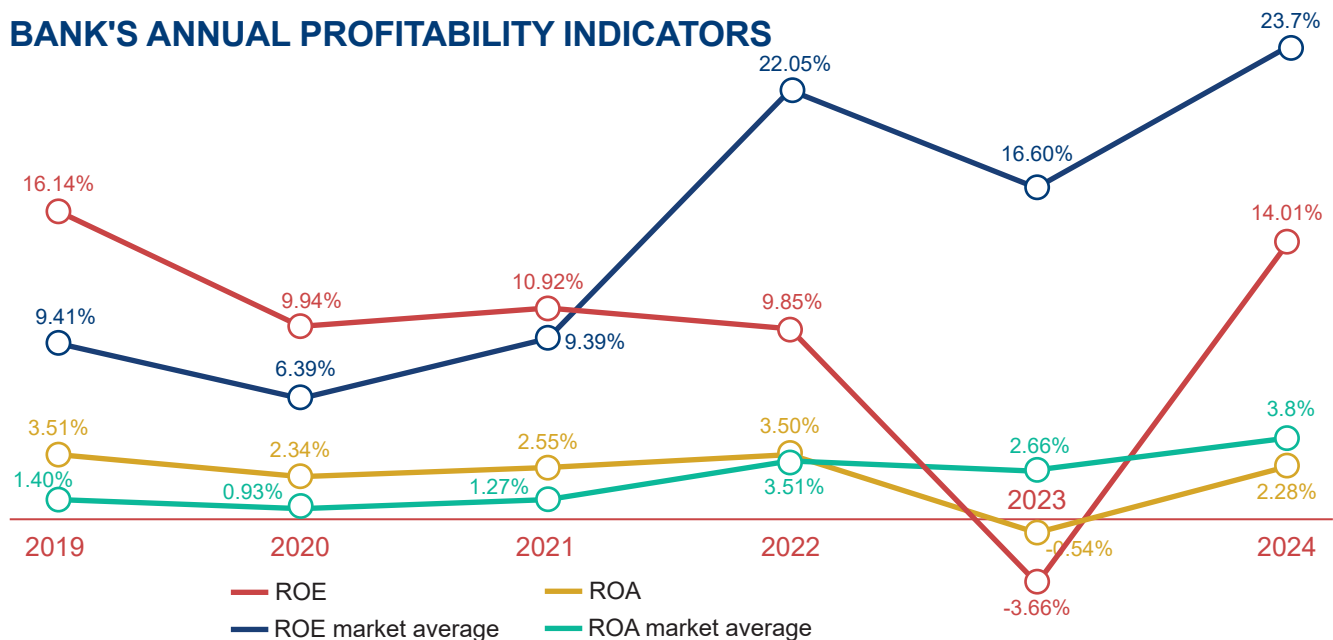
It should be recalled that in 2023, the Bank's net profit amounted to approximately negative AMD 0.05 billion, which was a negative result solely due to a one-time measure implemented by the Government of Armenia and did not reflect the outcomes of the Bank's core operations. Specifically, at the end of 2023, the Government of Armenia replaced the portfolios of Nagorno-Karabakh government bonds held on the balance sheets of the country's financial institutions with Armenian government bonds, applying a discount of approximately 30%.

It should be noted that this process was a one-time, politically driven measure and did not stem from the Bank's core operations.

Currently, the Bank holds no assets in Nagorno-Karabakh.



## BANK'S ANNUAL PROFITABILITY INDICATORS



In 2024, the Bank's Return on Assets (ROA) stood at 2.10%, and its Return on Equity (ROE) at 13.07%.

According to the annual analytical report No. 121 of ArmlInfo Agency, dated February 26, 2025, the market average ROA is 2.28%, and the market average ROE is 14.01%.

The Bank consistently holds a leading position in Armenia's banking system in terms of "Revenue per Employee" and "Profit per Employee" performance indicators.

The year 2024 was no exception, as the Bank ranked first in the banking system by "Revenue per Employee", according to the annual analytical report No. 121 of ArmlInfo Agency, dated February 26, 2025.

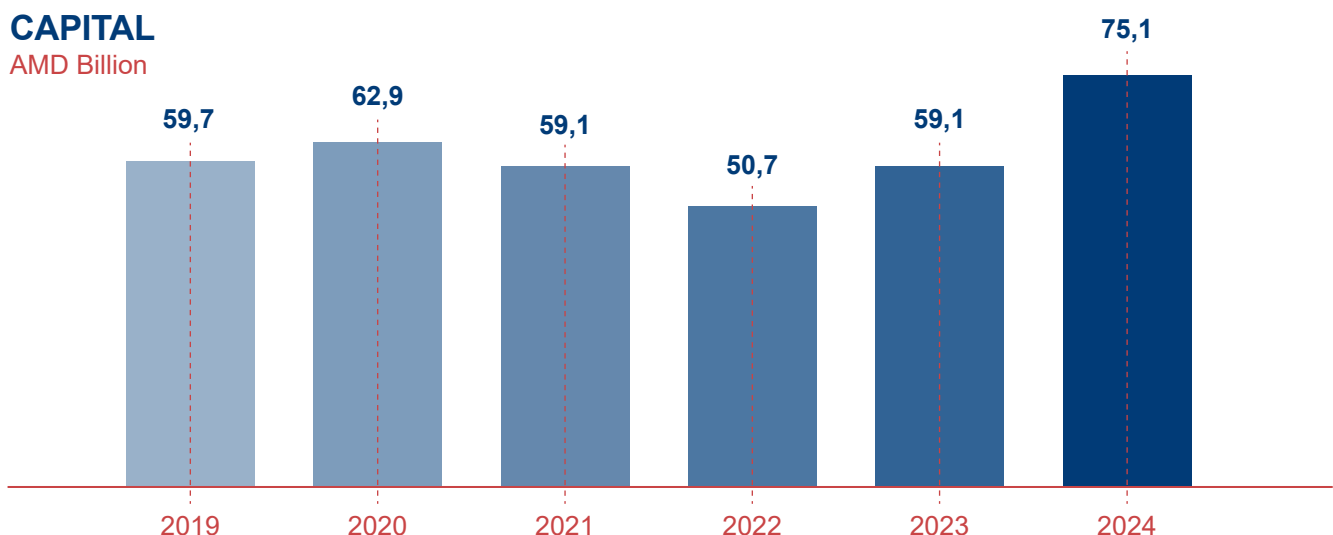
In 2024, the "Revenue per Employee" and "Profit per Employee" performance indicators amounted to AMD 280.0 million and AMD 72.2 million, respectively.

As of the end of 2024, the Bank's total capital amounted to AMD 75.1 billion, reflecting a 27.2% increase compared to 2023.

The growth in ArmSwissBank's capital was driven by an increase in retained earnings and a decrease in revaluation reserves.

## CAPITAL

AMD Billion



As of the end of 2023, the Bank's assets amounted to more than AMD 429.2 billion, which increased by 11.4% compared to the same period of last year. Investments in securities (especially government bonds) and funds allocated in credit instruments have always dominated assets and are the main sources of income for the Bank.

## ASSETS

AMD billion

	2019	2020	2021	2022	2023	2024
Loan Portfolio	96.6	123.5	116.5	125.0	171.2	204.9
Securities Portfolio	154.5	221.4	243.8	212.2	211.1	206.2
Other Assets	31.0	41.3	38.1	47.9	46.9	56.9

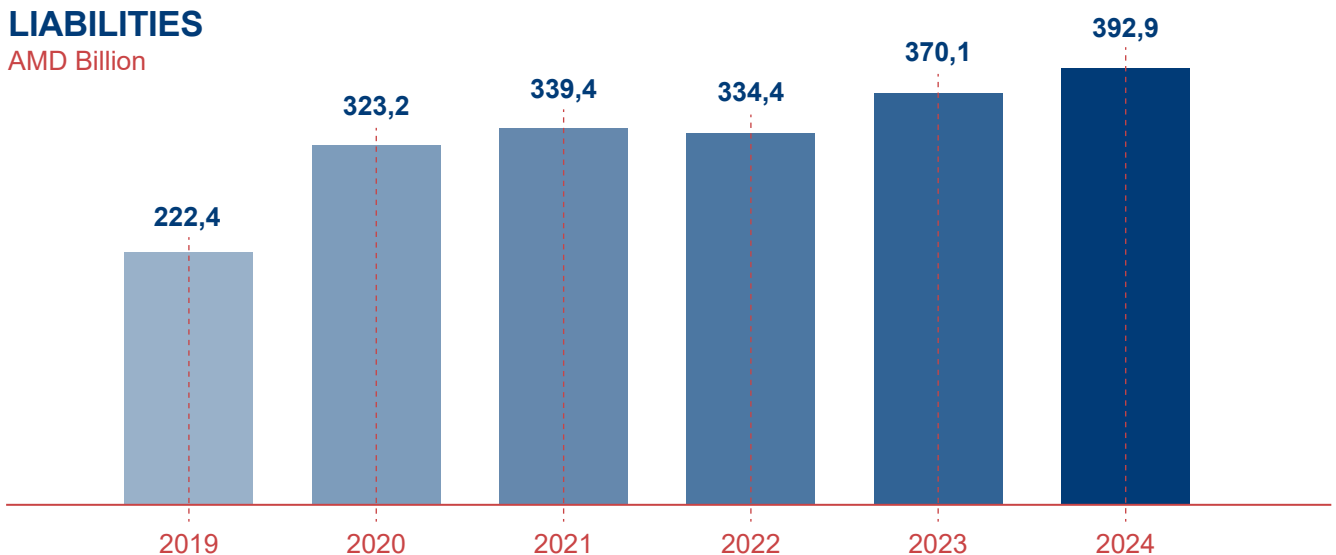
The expansion of the Bank's services has been supported by its liabilities, with continuous focus on diversifying their composition and structure and reducing the cost of attracted resources. It should be noted that, as of the end of 2024, the volumes of the Bank's loan and investment portfolios became equivalent.

Continuous efforts have been made to deepen existing cooperation with local and international financial institutions and to increase the volume of attracted funds, including through the issuance of bonds and the use of new financial instruments.

At the end of 2024, the Bank's liabilities amounted to over AMD 392.9 billion, reflecting a 6.2% increase compared to the same period of the previous year.

## LIABILITIES

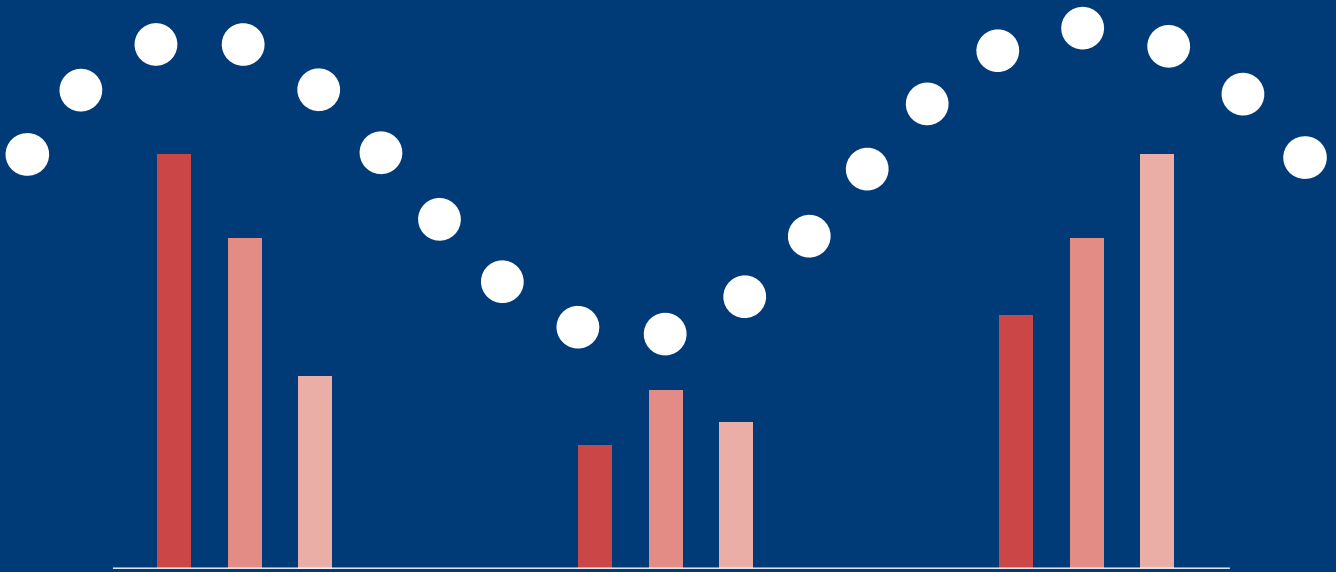
AMD Billion



According to the list of the top 1,000 largest taxpayers and the amount of taxes paid from January to December 2024, the Bank paid approximately AMD 2.9 billion in taxes.

The Bank ranks 108th in the overall taxpayers list and 15th among commercial banks operating in the Republic of Armenia

# PEOPLE



**CLIENTS**



**RISK MANAGEMENT  
SYSTEM**



**STAFF  
DEVELOPMENTS**



**SOCIAL  
RESPONSIBILITY**







# STAFF DEVELOPMENTS

ArmSwissBank consistently adheres to its guiding principle that “In corporate culture, words should not differ from actions”, emphasizing the importance of efficient use of time and resources, as well as the recognition and appreciation of its employees.

In the field of human resource management, the Bank consistently relies on principles and approaches that prioritize the recruitment of advanced, qualified, and experienced professionals, the continuous training and overall development of employees, the engagement of recent graduates, their training and integration as full-fledged team members, as well as the promotion of corporate culture and the maintenance of a healthy team environment.

The Bank builds its relationship with employees based on the principles of long-term cooperation and mutual respect.

Recognizing the importance of professionalism among its staff, the Bank consistently prioritizes the encouragement of professional development and training, as well as career advancement opportunities for its employees.

The Bank’s employees stand out for their diverse skill sets, professionalism, initiative, and ability to work in a team.

Many employees have participated in various training programs held both in Armenia and abroad to gain and exchange experience and knowledge. These include seminars, conferences, and online courses organized by international partner institutions.

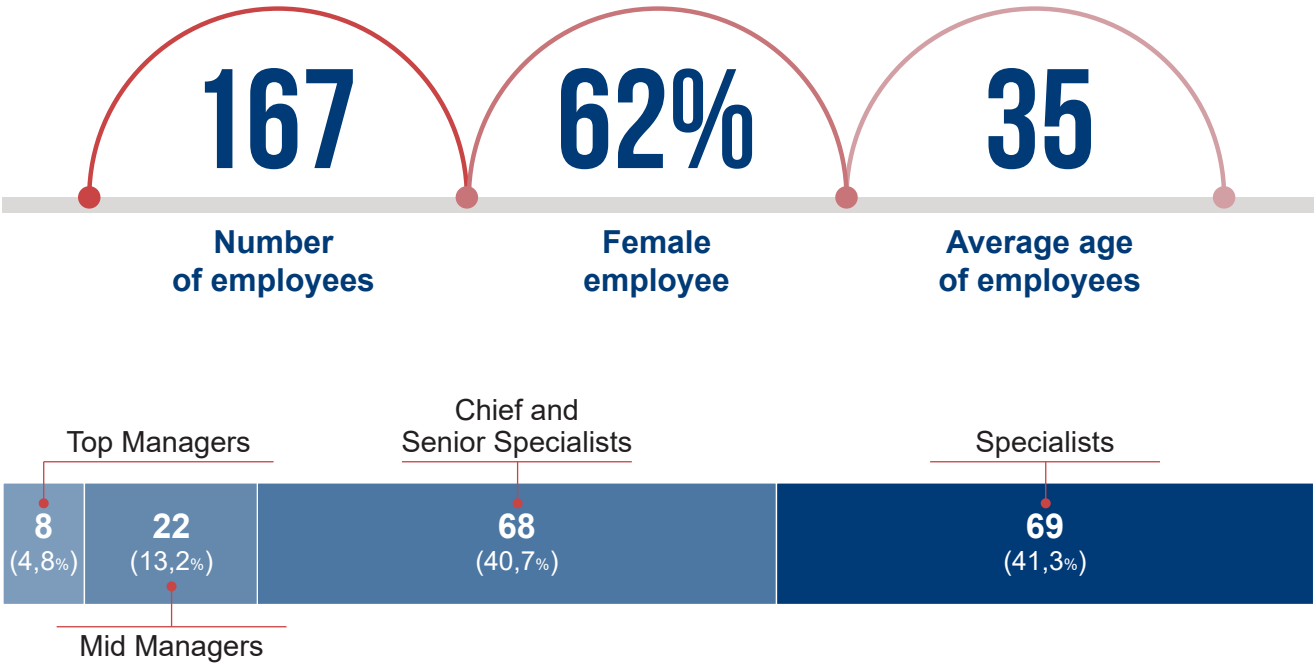
With the aim of enhancing professional qualifications, the Bank has consistently encouraged its employees to participate in internationally recognized programs such as ACCA, CFA, ACAMS, and other advanced certification schemes.

As a result of their participation, two of the Bank’s employees have been awarded ACCA and ACAMS certifications.

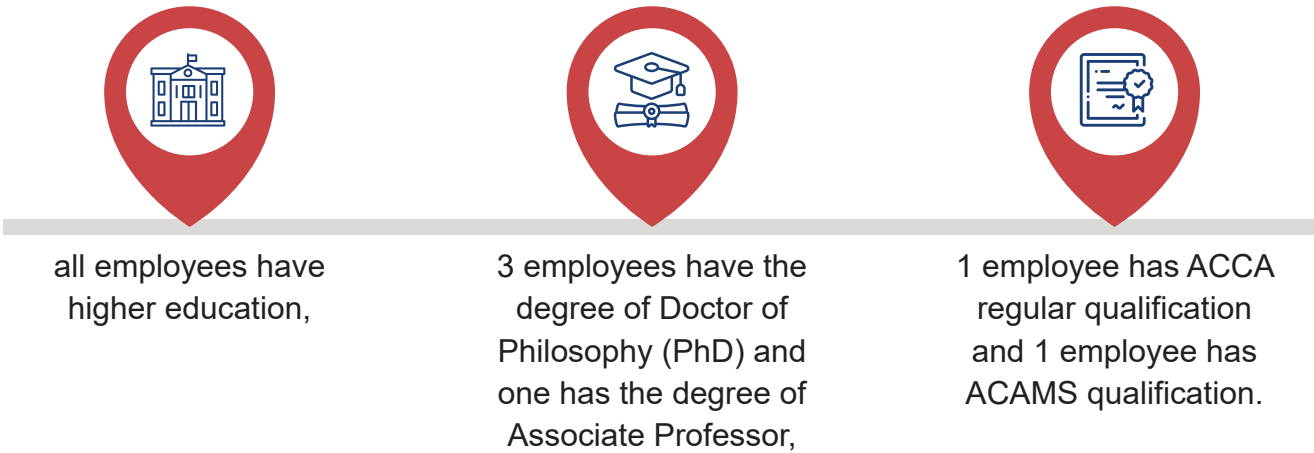
Recognizing the importance of the inclusion and integration of vulnerable groups into society, in 2024 the Bank hired five displaced individuals from Artsakh and one war veteran, organizing their training and integration as banking professionals.

In 2024, the Bank organized a number of team-building events in various formats and scales, aimed at strengthening internal communication culture, team cohesion, and mutual trust within the organization.

These initiatives were aimed at combining work, leisure, and rest, fostering stronger interpersonal relationships, creating additional platforms for communication, and encouraging personal growth and team engagement.



As of December 31, 2024, the Bank employed 167 staff members. Specifically:



# CUSTOMERS

Customer service has always been a top priority for the management bodies and staff of ArmSwissBank. This approach is fully aligned with the Bank's adopted strategic values, which aim to ensure high-quality, comprehensive service by providing an individual approach to each client.

The Bank's financing activities are primarily focused on supporting business clients involved in production and export-oriented activities.

Alongside them, the Bank also serves a certain segment of individual clients and institutional entities that actively participate in the financial market as depositors, bond purchasers, and beneficiaries of foreign exchange and other investment instruments.

The Bank provides financing to such clients through both traditional lending and alternative trade finance instruments, thereby promoting the growth of production and export volumes. In recent years, one of the Bank's strategic priorities has also become the financing of industrial re-equipment, technological modernization, energy efficiency improvements, and green initiatives.

As of December 31, 2024, the number of active clients of ArmSwissBank amounted to 5,683, representing an approximately 18% increase compared to the corresponding figure for 2023.

During the same period, the client structure consisted of 33.7% legal entities and 66.3% individuals.

# RISK MANAGEMENT SYSTEM

Based on the requirements of applicable legislation, international best practices, and its own accumulated experience, the Bank continuously enhances its risk management system.

The Bank applies the “Three Lines of Defence” model, under which the first line consists of revenue-generating units.

The second line is represented by the risk management and compliance divisions, which regularly conduct risk oversight and report on identified risks to the Bank’s management.

The third line is the Internal Audit division, which provides independent and objective evaluations and assurances to the Bank’s Board and management regarding material risks.

The Risk Management Division develops the Bank’s risk management policy and procedures, formulates the risk appetite, risk strategy, and recovery plan, assesses capital adequacy, conducts stress testing, and monitors operations involving financial risks.

It also submits reports to the Bank’s Board and Management regarding the Bank’s overall risk profile, compliance with risk limits, and issues requiring attention.

The Compliance Officer is responsible for the identification, management, and monitoring of the Bank’s compliance and reputational risks, while the Internal Monitoring Body ensures compliance with AML/CFT and sanctions requirements.

To enhance the effectiveness of these functions, the Bank has implemented SWIFT Transactions Screening, World-Check, and AML MANAGEMENT software systems.

Employees engaged in the Bank’s AML/CFT functions have participated in international qualification programs such as ACAMS Certified AML Specialist, ACAMS Certified Global Sanctions Specialist, ICA Specialist Certificate in Trade-Based Money Laundering, ICA Certificate in KYC and CDD, and ICA Certification in AML, and have successfully passed the relevant examinations.

As part of credit analysis, the Credit Risk Management Division carries out risk assessments, monitors the conditions set by the Credit Committee, conducts post-disbursement reviews of issued loans, performs financial, operational, and ad-hoc monitoring, and executes other functions in accordance with the instructions of the Bank’s management.

In accordance with the long-term and annual work plans approved by the Board, the Bank’s Internal Audit Division conducts audits of the highest-risk areas of the Bank’s operations. The effectiveness of the system is ensured through the clear delineation and documentation of roles and responsibilities among divisions, as well as the use of control checks and reconciliations.

To ensure effective risk management, the Bank applies a number of fundamental principles, including:

1

The collegial approach to investment decision-making, the use of risk management models and tools for identifying, analyzing, and assessing risks, the segregation of duties and responsibilities at the workplace, the execution of operations based on the “four-eyes” principle, the setting and monitoring of risk limits for high-risk operations, the diversification of risk-bearing assets, the formation of reserves to cover potential losses, and the transfer of risk to third parties through insurance - when the benefits of risk mitigation outweigh the estimated costs or when such mitigation is practically unfeasible - are among the core principles applied by the Bank to ensure effective risk management.

2

The application of a stress testing system, which includes various probable scenarios and assesses their impact on the Bank's profitability and key financial ratios.

3

To mitigate operational risk, the Bank implements an insurance package that includes coverage for comprehensive banking risks, electronic and cybercrime, and professional liability. Additionally, the Bank procures property and building insurance.

Overall oversight of risk management at the Bank is carried out by the Board of Directors, the Chief Executive Officer, and the collegial bodies established based on corporate governance principles — including the Management Board, the Credit Committee, and the Assets and Liabilities Management Committee (ALCO).

The General Supervision of Risk Management in the Bank is carried out by the Board, the Executive Director, and the collegial bodies established based on the principles of corporate governance: Directorate, Credit, Compliance Monitoring and Asset and Liability Management Committees.



# SOCIAL RESPONSIBILITY

For ArmSwissBank and its staff, social responsibility and proactive engagement in responding to public needs are of paramount importance beyond their professional activities.

In 2024, the Bank continued to implement a number of social and charitable initiatives aimed at the preservation and promotion of cultural values, support for educational programs, dissemination of environmental awareness, and assistance to socially vulnerable groups, including children and families in need, among others.

Specifically:

Within the framework of the international “Night of Museums” initiative, the Bank launched another initiative in support of national culture by assisting the History Museum of Armenia. As part of this initiative, the Bank donated 40 audio guide devices to the museum, enabling visitors to independently explore and learn about the exhibits on display.

Children’s health has always been a priority for the Bank, and in this context, the Bank provided support through a donation to the “City of Smile” Charitable Foundation. This support was directed toward the treatment of children with cancer, contributing to the restoration of their health and improvement of their quality of life.

In 2024, the Bank and the Vagharshapat Municipality signed a Memorandum of Cooperation aimed at improving the local environment and promoting greening initiatives within the community. As part of the memorandum, the Bank donated 30 trees of the “Canadian Redbud” species to the municipality, which were planted along Issy-les-Moulineaux Street.

The Bank made another donation to the Opera Studio named after Ghazaros Saryan of the Yerevan State Conservatory. This time, the Bank provided a modern projector, which will support the technical setup of stage productions and enhance the visual components of performances. The new equipment will enable the application of innovative approaches to stagecraft, resulting in more impactful and contemporary performances that meet the expectations of modern art.

Ahead of the New Year holidays, the Bank and its employees once again brought the magic of the season to life by creating a festive celebration for around 140 children in the Lori region, as well as for the children under the care of the “Armenian Caritas” charitable organization. Their warm encounters and direct interactions were filled with gifts and joyful moments, making the holiday season memorable and cheerful for the children.

## INDEPENDENT AUDITOR'S REPORT

*To the Shareholders and Supervisory Board of  
ArmSwissBank Closed Joint-Stock Company*

### OPINION

We have audited the financial statements of ArmSwissBank Closed Joint-Stock Company (hereinafter, “the Bank”) which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### 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 Bank in accordance with the International Ethics Standards Board for Accountants’ (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Armenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed this matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

## **KEY AUDIT MATTER**

### *Allowance for impairment of loans and advances to customers*

Allowance for impairment of loans and advances to customers is a key audit matter due to both the significance of loans and advances to customers and the complexity and judgements related to the estimation of expected credit losses ("ECL") under IFRS 9 Financial Instruments ("IFRS 9").

The calculation of ECL on a portfolio basis involves estimation techniques that use complex statistical modelling and expert judgment. These techniques are used to determine probability of default, projected exposure at default and loss arising at default, based on available historical data, which is adjusted for forward looking information, including forecast of macroeconomic parameters. ECL on a portfolio basis are highly impacted by assessment of whether a significant increase in credit risk has occurred since initial recognition. This assessment is primarily based on the following criteria – days past due (including borrower's overdue exposures in other financial institutions) and renegotiation of loan terms due to deterioration of financial position of the borrower.

The calculation of ECL for significant credit-impaired financial assets on an individual basis requires assessment of estimated future cash flows from the realization of collateral and other sources.

The use of different modelling techniques and assumptions could produce significantly different estimates of ECL. This could have a material effect on the financial results of the Bank.

Information on the allowance for impairment of loans and advances to customers is included in Note 9 "Loans and advances to customers" and Note 30 "Risk management" to the financial statements.

## HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

### *Allowance for impairment of loans and advances to customers*

We focused our audit on the following:

Analysis of credit risk models and assumptions used to determine ECL on a portfolio basis.

Testing controls over the Bank's process for identification of significant increase in credit risk.

Testing the ECL for significant credit-impaired loans and advances to customers on an individual basis.

To test the allowance calculated on a portfolio basis, with the support of our internal specialists, we analyzed underlying statistical models, key inputs and assumptions used and forward-looking information incorporated in the calculation of ECL, including updated forecast of macroeconomic parameters. We tested key statistical data underlying credit risk factors calculation, such as loans' overdue days, market value and types of collaterals pledged under these loans, which are considered for calculation of loss given default. We also tested the design and operating effectiveness of the key controls over the process for identification of significant increase in credit risk and assessed the consistency of application of the criteria selected by management to identify significant increase in credit risk as at the reporting date. For significant credit-impaired exposures, we tested the calculation of estimated future cash flows from sale of collateral and other sources.

We also analysed the financial statements' disclosures of the Bank's exposure to credit risk.

## OTHER INFORMATION INCLUDED IN THE BANK'S 2024 ANNUAL REPORT

Other information consists of the information included in the Bank's 2024 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Bank's 2024 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## RESPONSIBILITIES OF MANAGEMENT AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Bank's financial reporting process.

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank'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 Bank to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 the Supervisory Board 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 in charge of the audit resulting in this independent auditor's report is Eric Hayrapetyan.



## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(thousands of Armenian drams)

	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	27,139,747	23,499,645
Derivative financial assets	35,781	9,262
Amounts due from credit institutions	13,962,886	12,266,393
Loans and advances to customers	204,925,841	171,176,527
Investment securities	116,048,596	122,468,152
Investment securities pledged under repurchase agreements	90,151,363	88,595,879
Property and equipment and right-of-use assets	1,925,452	2,056,184
Intangible assets	117,082	111,222
Repossessioned assets	1,750,995	872,185
Prepayments on income tax	-	45,526
Deferred tax assets	643,713	1,822,121
Other assets	11,322,484	6,267,006
<b>TOTAL ASSETS</b>	<b>468,023,940</b>	<b>429,190,102</b>
<b>LIABILITIES</b>		
Amounts due to banks	84,664,361	91,826,669
Derivative financial liabilities	80,370	29,556
Amounts due to customers	173,610,357	160,775,017
Debt securities issued	69,773,790	55,022,320
Other borrowed funds	29,629,001	28,493,452
Current income tax liabilities	1,098,856	-
Other liabilities	3,898,796	1,826,542
Subordinated loans	30,148,534	32,161,126
<b>TOTAL LIABILITIES</b>	<b>392,904,065</b>	<b>370,134,682</b>

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(thousands of Armenian drams)

	2024	2023
<b>EQUITY</b>		
Share capital	10,000,200	10,000,200
Share premium	6,205,548	6,205,548
Statutory general reserve	40,000,000	40,000,000
Retained earnings	21,520,203	11,705,333
Revaluation reserve for investment securities	(4,164,844)	(10,414,429)
Revaluation reserve of property	1,558,768	1,558,768
<b>TOTAL EQUITY</b>	<b>75,119,875</b>	<b>59,055,420</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>468,023,940</b>	<b>429,190,102</b>

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(thousands of Armenian drams)

	2024	2023
Interest income calculated using effective interest rate	41,439,737	36,979,006
Other interest income	1,297,077	622,967
Interest expense	(28,140,511)	(28,014,222)
<b>NET INTEREST INCOME</b>	<b>14,596,303</b>	<b>9,587,751</b>

Credit loss (expense)/recovery	(1,872,522)	1,220,453
<b>NET INTEREST INCOME AFTER CREDIT LOSS (EXPENSE)/RECOVERY</b>	<b>12,723,781</b>	<b>10,808,204</b>

Fee and commission income	1,551,040	862,895
Fee and commission expense	(335,655)	(220,956)
Net trading income	1,772,459	1,104,024
Net gains on derecognition of financial assets measured at fair value through other comprehensive income	183,141	138,915
Net loss on derecognition of financial assets at amortized cost	-	(8,309,288)
Net losses from foreign currency translation	(224,750)	(94,089)
Other income	591,937	429,852
<b>NON-INTEREST INCOME</b>	<b>3,538,172</b>	<b>(6,088,647)</b>

Personnel expenses	(2,971,807)	(2,164,124)
Depreciation of property and equipment	(232,917)	(221,269)
Amortization of intangible assets	(35,606)	(33,068)
Other expenses	(740,078)	(668,732)
Other impairments expense	(226,375)	(15,182)
<b>NON-INTEREST EXPENSE</b>	<b>(4,206,783)</b>	<b>(3,102,375)</b>
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>	<b>12,055,170</b>	<b>1,617,182</b>

Income tax expense	(2,240,300)	(1,666,854)
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>9,814,870</b>	<b>(49,672)</b>

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(thousands of Armenian drams)

	2024	2023
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>9,814,870</b>	<b>(49,672)</b>

### Other comprehensive income

*Other comprehensive income not to be reclassified to profit or loss in subsequent periods*

Revaluation of corporate shares	52,219	–
Income tax relating to components of other comprehensive income	(9,399)	–
<b>NET OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>	<b>42,820</b>	<b>–</b>

*Other comprehensive income to be reclassified to profit or loss in subsequent periods*

Net change in fair value of debt instruments at fair value through other comprehensive income	7,541,169	10,136,294
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income	28,057	71,230
Income tax relating to components of other comprehensive income	(1,362,461)	(1,837,354)
<b>NET OTHER COMPREHENSIVE PROFIT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS</b>	<b>6,206,765</b>	<b>8,370,170</b>
<b>OTHER COMPREHENSIVE PROFIT FOR THE YEAR, NET OF TAX</b>	<b>6,249,585</b>	<b>8,370,170</b>
<b>TOTAL COMPREHENSIVE PROFIT FOR THE YEAR</b>	<b>16,064,455</b>	<b>8,320,498</b>

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(thousands of Armenian drams)

	Share capital	Share premium	Statutory general reserve	Revaluation reserve for investment securities	Revaluation reserve of property	Retained earnings	Total equity
<b>1 JANUARY 2023</b>	10,000,200	6,205,548	35,000,000	(18,784,599)	1,558,768	16,755,005	50,734,922
Loss for the year	-	-	-	-	-	(49,672)	(49,672)
Other comprehensive income for the year							
Net change in fair value of investment securities at FVOCI	-	-	-	10,070,620	-	-	10,070,620
Net gain reclassified to profit or loss on sale of investment securities at FVOCI	-	-	-	65,674	-	-	65,674
Net changes in allowance for expected credit losses of investment securities at FVOCI	-	-	-	71,230	-	-	71,230
Income tax relating to components of other comprehensive income	-	-	-	(1,837,354)	-	-	(1,837,354)
<b>Total comprehensive income for the year</b>	-	-	-	8,370,170	-	-	8,370,170
Distribution to reserve	-	-	5,000,000	-	-	(5,000,000)	-
<b>Total transaction with owners</b>	-	-	5,000,000	-	-	(5,000,000)	-
<b>31 December 2023</b>	10,000,200	6,205,548	40,000,000	(10,414,429)	1,558,768	11,705,333	59,055,422
Profit for the year	-	-	-	-	-	9,814,870	9,814,870
Other comprehensive income for the year							
Net change in fair value of investment securities at FVOCI	-	-	-	7,795,400	-	-	7,795,400
Net loss reclassified to profit or loss on sale of investment securities at FVOCI	-	-	-	(202,012)	-	-	(202,012)
Net changes in allowance for expected credit losses of investment securities at FVOCI	-	-	-	28,057	-	-	28,057
Income tax relating to components of other comprehensive income	-	-	-	(1,371,860)	-	-	(1,371,860)
<b>Total comprehensive income for the year</b>	-	-	-	6,249,585	-	-	6,249,585
<b>31 December 2024</b>	10,000,200	6,205,548	40,000,000	(4,164,844)	1,558,768	21,520,203	75,119,875

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

(thousands of Armenian drams)

	2024	2023
<b>Cash flows from operating activities</b>		
Profit before tax	12,055,170	1,617,182
<b>Adjustments for:</b>		
Impairment recovery of financial assets	1,872,522	(1,220,453)
Other impairments	226,375	15,182
Amortization and depreciation allowances	268,523	254,337
Interest receivable	(218,030)	(346,654)
Interest payable	(2,770)	93,287
Net income from disposal of property and equipment	(1,299)	-
Net gain from disposal of repossessed assets	-	(30,275)
Foreign currency translation net loss	224,750	94,089
Net loss from revaluation of precious metals	(21,386)	1,361
Net loss from changes in fair value of derivatives	24,296	17,438
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>14,428,151</b>	<b>495,494</b>
<b>(Increase)/decrease in operating assets</b>		
Amounts due from credit institutions	(1,528,013)	(4,568,119)
Loans and advances to customers	(37,174,261)	(42,155,813)
Repossessed assets	(878,810)	388,043
Other assets	(5,055,018)	(1,708,913)
<b>Net increase/(decrease) in operating liabilities</b>		
Amounts due to banks	(6,810,542)	10,627,960
Amounts due to customers	14,945,886	29,047,006
Other liabilities	2,041,905	(466,687)
<b>Net cash flows used in operating activities before income tax</b>	<b>(20,030,702)</b>	<b>(8,341,029)</b>
Income tax paid	(1,286,614)	(1,379,997)
<b>Net cash used in operating activities</b>	<b>(21,317,316)</b>	<b>(9,721,026)</b>
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(15,775,129)	(42,748,549)
Proceeds from sale and redemption of investment securities	27,405,562	54,365,884
Purchase of property and equipment	(102,184)	(257,376)
Sale of property and equipment	1,261	-
Purchase of intangible assets	(41,504)	(61,888)
<b>Net cash from investing activities</b>	<b>11,488,006</b>	<b>11,298,071</b>
<b>Cash flows from financing activities</b>		
Proceeds from other borrowed funds	12,539,792	5,055,714
Repayment of other borrowed funds	(11,365,500)	(11,343,494)
Proceeds from debt securities issued	23,130,656	13,014,650
Redemption of debt securities issued	(7,578,808)	(11,451,670)
Proceeds from subordinated debt	3,702,238	8,000,000
Repayment of subordinated debt	(5,642,307)	(10,326,129)
Repayment of lease liabilities	(105,600)	(92,640)
<b>Net cash (used in)/from financing activities</b>	<b>14,680,471</b>	<b>(7,143,569)</b>
Effect of exchange rates changes on cash and cash equivalents	(1,185,926)	529,291
Effect of expected credit losses on cash and cash equivalents	(25,133)	(15,596)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,640,102</b>	<b>(5,052,829)</b>
Cash and cash equivalents at the beginning of the year	23,499,645	28,552,473
<b>Cash and cash equivalents at the end of the year</b>	<b>27,139,747</b>	<b>23,499,644</b>

Please see full version of Financial Statement in the Bank's official web-site:  
<https://www.armswissbank.am/am/reports/>



# USEFUL INFORMATION ABOUT BANK

## COOPERATION



Union of Bank of Armenia (UBA)  
[www.uba.am](http://www.uba.am)



Armenia Stock Exchange  
[www.amx.am](http://www.amx.am)



Armenia Credit Reporting Agency (ACRA)  
[www.acra.am](http://www.acra.am)



Armenian Card (Arca)  
[www.arca.am](http://www.arca.am)



Mastercard  
[www.mastercard.am](http://www.mastercard.am)



Visa  
[www.usa.visa.com](http://www.usa.visa.com)



Society for Worldwide Interbank Financial  
Telecommunications (SWIFT)  
[www.swift.com](http://www.swift.com)



Factors Chain International (FCI)  
[www.fci.nl/en](http://www.fci.nl/en)



American Chamber of Commerce  
in Armenia (AmCham)  
[www.amcham.am](http://www.amcham.am)



European Business Association (EBA)  
[www.eba.am](http://www.eba.am)



Project Management Unit of  
German-Armenian Fund State  
Institution (PMU GAF)  
[www.gaf.am](http://www.gaf.am)



**European Bank**  
for Reconstruction and Development  
European Bank for Reconstruction  
and Development (EBRD)  
[www.ebrd.com](http://www.ebrd.com)



**Eurasian  
Development Bank**

Eurasian Development Bank (EDB)  
[www.eabr.org](http://www.eabr.org)



**ADB ASIAN DEVELOPMENT BANK**

Asian Development Bank (ADB)  
[www.adb.org](http://www.adb.org)



**European  
Investment Fund**

European Investment Fund (EIF)  
[www.eif.org](http://www.eif.org)



**European  
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European Investment Bank (EIB)  
[www.eib.org](http://www.eib.org)

**KfW**

Bank aus Verantwortung

KfW Development Bank -  
through (PMU GAF)  
[www.gaf.am](http://www.gaf.am)



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**GREEN  
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Green Climate Fund (GCF)  
[www.greenclimate.fund](http://www.greenclimate.fund)



Home for Youth RCO CJSC  
[www.hfy.am](http://www.hfy.am)



**EXPORT INSURANCE  
AGENCY OF ARMENIA**

Export Insurance Agency of  
Armenia (EIAA)  
[www.eia.am](http://www.eia.am)



Armenia Renewable Resources and  
Energy Efficiency Fund (R2E2)  
[www.r2e2.am](http://www.r2e2.am)



“FINARM” Financial Market  
Members Association  
[www.finarm.am](http://www.finarm.am)



National Mortgage Company  
RCO CJSC (NMC)  
[www.nmc.am](http://www.nmc.am)

## BANK DETAILS

**Full Name:** ARMSWISSBANK CJSC

**Licenses:** Banking License N84

**Granted by the Central Bank of Armenia on February 25, 2005**

**Address:** 10 V. Sargsyan Str., Yerevan 0010, Republic of Armenia

**Tax Code:** 02574955

**Correspondent account at the Central Bank of RA:** 103002102509

**SWIFT code:** ARSJAM22

**Reuters page:** ARSJ, ARSI

**Bloomberg page:** ASWI



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[www.armswissbank.com](http://www.armswissbank.com)



### Service hours

9:30-17:00

**THE BANK IS SUPERVISED BY THE  
CENTRAL BANK OF ARMENIA**



ARM SWISS BANK

