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# ANNUAL REPORT

2025

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# ANNUAL REPORT 2025

# Contents

# Message from the Executive Director

**Gevorg Machanyan**

CHAIRMAN OF THE MANAGEMENT BOARD,
EXECUTIVE DIRECTOR

*Dear customers, partners, employees and shareholders*

*The year 2025, marked by continued global and regional change, economic transformation, and emerging challenges, also became a year of new opportunities and significant achievements. Against this backdrop, ArmSwissBank remained firmly committed to the consistent implementation of its strategic priorities, maintaining financial resilience, expanding its international partnerships, and contributing to the long-term, sustainable development of Armenia's economy.*

*The Armenian banking sector continued to play a vital role in 2025 as one of the key pillars of the country's economic stability and growth. The trends toward digital transformation, responsible governance, and international integration continued to strengthen, fostering a more competitive, resilient, and modern financial sector. Within this evolving landscape, ArmSwissBank continued its steady development, remaining true to its core values and unwavering commitment to a customer-centric approach.*

*The Armenian banking sector continued to play a pivotal role in 2025, serving as one of the key pillars of the country's economic stability and sustainable growth. The continued advancement of digital transformation, responsible governance, and international integration further strengthened the foundations of a competitive, resilient, and modern financial sector. Within this dynamic environment, ArmSwissBank continued to strengthen its position, remaining true to its core values and unwavering commitment to a customer-centric approach*

*2025 was marked by a number of significant milestones for the Bank. ArmSwissBank became the first and only private institution in Armenia to receive accreditation from the Green Climate Fund (GCF), securing direct access to one of the world's largest sources of climate finance.The Bank also continued to strengthen its longstanding partnerships with the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), the European Investment Bank (EIB), and other international financial institutions, further expanding opportunities to support sustainable economic development in Armenia.*

*During the year, the Bank became the first financial institution in Armenia to introduce the Visa B2B Connect service for corporate clients. It also joined the ArcaPay payment system, became a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI), and joined the Partnership for Carbon Accounting Financials (PCAF), reaffirming its commitment to sustainable finance and the principles of responsible banking.*

*Another significant milestone in 2025 was the publication of ArmSwissBank's first Climate Transition Plan, making the Bank the first financial institution in Armenia to present a comprehensive strategic roadmap for its climate transition.At the same time, the Bank's "Climate Intelligence: ArmSwissBank Leads Green" communications campaign received international recognition by winning the "Climate Change and Literacy" category at the prestigious IPRA Golden World Awards 2025. This achievement further reinforced ArmSwissBank's leadership in sustainable finance and climate responsibility on the international stage.*

*The Bank also achieved important milestones in expanding its international partnerships. A EUR 20 million guarantee facility signed with the European Investment Fund (EIF)—the first partnership of its kind in Armenia—created new opportunities to expand financing for small and medium-sized enterprises (SMEs) and women-led businesses. In addition, ArmSwissBank became a member of the Banking Association for Central and Eastern Europe (BACEE), further broadening its international network and creating new opportunities for knowledge sharing, collaboration, and the exchange of best practices.*

*Corporate social responsibility continues to be an integral part of the Bank's mission and operations. We firmly believe that success is measured not only by financial performance, but also by the positive impact we create for society.Guided by this principle, we continued to support educational, environmental, and social initiatives, while encouraging the active involvement of our employees in creating lasting value for the communities we serve.*

*As we reflect on the year, we can confidently say that these achievements are the result of the dedication and professionalism of our team, the consistent execution of our strategic vision, and the continued trust and support of our shareholders, customers, and partners.*

*We look to the future with confidence, continuing to build an innovative, responsible, and forward-looking financial institution that is aligned with international best practices. Our priorities remain unchanged: to be a trusted financial partner, support the sustainable development of Armenia's economy, and create long-term value for our customers, partners, shareholders, and the communities we serve.*

*I extend my sincere gratitude to our employees, the Board of Directors, our shareholders, customers, and partners for their invaluable contributions to our shared achievements and for their continued trust and support.*

# The Bank

# THE BANK'S MISSION, VISION, VALUES

## THE BANK'S MISSION

Our mission is to provide our customers with innovative, advanced, and internationally recognized banking services through the expertise and professionalism of our staff, while dedicating our time and resources to meeting their needs in accordance with our principles of social responsibility and sustainable finance.

## THE BANK'S VISION

Our vision is to become the leading corporate and investment bank in the Republic of Armenia by delivering flexible banking services and sustainable finance solutions, while being the preferred partner for our customers in the financial market.

## THE BANK'S VALUES

**Professionalism** – Our experienced and forward-thinking professionals continuously enhance their expertise and share their knowledge and experience to achieve the highest standards of performance and deliver the best possible results.

**Partnership** - We value long-term and enduring relationships with our customers and partners, fostering collaboration that creates mutual value and shared success.

**Reliability** – As a trusted partner, we build lasting relationships with reliable partners on a foundation of stability, integrity, and mutual confidence.

**Safety** - We have built and continue to uphold our reputation as a trusted bank by maintaining the Bank's stability and ensuring its sustainable and steady growth.

**Integrity** - We are committed to protecting our reputation and therefore place the highest value on mutual trust, honesty, and ethical business conduct.

# OUR ACHIEVEMENTS

- **Green Climate Fund (GCF)**

On 18 February 2025, during the 41st meeting of the Board of the Green Climate Fund (GCF) held in the Republic of Korea, ArmSwissBank CJSC was accredited by the GCF, becoming the first and only private institution in the Republic of Armenia to receive GCF accreditation.

- **European Bank for Reconstruction and Development (EBRD)**

In 2025, 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 as the "Most Active Issuing Bank in Armenia in 2024" for the sixth consecutive year, as well as the "Green Deal of the Year" award.
The Bank plans to secure a USD 10 million credit facility in 2026 to support the financing of measures aimed at enhancing the competitiveness of small and medium-sized enterprises (SMEs) and facilitating their green transition. In addition, the Bank plans to mobilize a further USD 10 million credit facility under the Youth in Business programme."
Notably, the Bank's experience in building internal capacity for climate transition planning was presented as a best-practice example

from Armenia during the EBRD's 34th Business Forum and featured in the EBRD's Climate Transition of the Financial Sector 2025 report, highlighting the Bank's leading role in sustainable finance and climate capacity development.

- **Asian Development Bank (ADB)**

The Bank cooperates with the Asian Development Bank (ADB) under its Trade Finance Program (TFP), with an approved facility limit of **USD 9 million**. In recognition of its performance under the Trade Finance Program, the Bank has been awarded the **"Leading Partner Bank in Armenia"** award by the Asian Development Bank (ADB)  for three consecutive years

- **European Investment Fund (EIF)**

For the first time in Armenia, ArmSwissBank signed a **EUR 20 million** guarantee instrument agreement with the European Investment Fund (EIF). The new financial  instruments are aimed at supporting the development of Armenia's economy by promoting small and medium-sized enterprises (SMEs) and women's entrepreneurship while increasing their access to finance.

- **European Investment Bank (EIB)**

Cooperation with the European Investment Bank (EIB) continued under the EUR 16 million loan agreement signed in 2024, which aims to enhance access to finance for micro, small, and medium-sized enterprises (MSMEs) in Armenia.

At the same time, the Bank plans to further expand its cooperation with the EIB in 2026 by signing an additional loan agreement with a total value of EUR 15 million.

- **United Nations Environment Programme Finance Initiative (UNEP FI)**

By joining the **United Nations Environment Programme Finance Initiative (UNEP FI)**, the Bank aligns itself with a global network of leading financial institutions committed to embedding sustainability at the core of their business and decision-making.

- **Partnership for Carbon Accounting Financials (PCAF)**

As a leading financial institution, the Bank collaborates with the **Partnership for Carbon Accounting Financials (PCAF)**, whose globally recognized methodology enables financial institutions to measure and disclose financed greenhouse gas (GHG) emissions, thereby supporting more responsible and sustainable financial practices.

In this context, the Bank also works with the international **software provider Greenly**, using its platform to calculate greenhouse gas (GHG) emissions in accordance with the PCAF methodology.

For two consecutive years, the Bank has published its GHG emissions report, aligning its operations with international climate goals and best practices.

- **Climate Transition Plan**

ArmSwissBank has officially published its first Climate Transition Plan, representing the Bank's first comprehensive strategic document outlining its approach to addressing climate change. The Plan is aligned with the objectives of the Paris Agreement and the Republic of Armenia's Long-Term (to 2050) Low Greenhouse Gas Emission Development Strategy.

- **Visa B2B Connect**

ArmSwissBank became the first bank in the Republic of Armenia to offer **Visa B2B Connect** to its corporate clients. The advanced payment solution is designed for international business-to-business transactions, enabling fast, secure, and efficient cross-border payments through a network of member banks and financial institutions in approximately 118 countries.

- **Visa**

At Visa's annual awards ceremony, ArmSwissBank received the **Visa Corporate Payments Innovation Award** in recognition of its successful implementation and advancement of innovative solutions in the field of corporate payments.

- **IPRA GOLDEN WORLD AWARDS 2025**

The Bank’s “Climate Intelligence: ArmSwissBank Leads Green” campaign was recognized as the winner in the “Climate Change and Literacy” category at the prestigious IPRA Golden World Awards 2025.

- **Banking Association for Central and Eastern Europe (BACEE)**

The Bank became a member of the Banking Association for Central and Eastern Europe (BACEE), an organization that brings together leading banks from the European Union, Central and Eastern Europe, and the Caucasus.

- **Modern Payment Solutions**

The Bank joined the ArcaPay payment system, enabling customers of participating banks to make simple and instant Armenian dram transfers using only the recipient’s mobile phone number. The bank has joined the Apple Pay and Google Pay payment platforms, ensuring simple, secure and contactless payments.

- **Mastercard® Business Preferred and World Premium Cards**

The **Mastercard® Business Preferred** premium card is designed for business clients, offering enhanced convenience, a high level of security, and premium benefits worldwide.

The Bank has also introduced two new premium cards from the **Mastercard payment network–Business Preferred and World**–providing customers with exclusive benefits and services both in Armenia and internationally.

# MAIN INDICATORS

| KEY INDICATORS | 2025 | 2024 | CHANGE 2025/2024 | | |
|---|---|---|---|---|---|
| **GENERAL INDICATORS (AMD MILLION)** | | | | | |
| **Total Assets** | **473,210** | **468,024** | **+5,186** | **+1.11%** | ↑ |
| Loan Portfolio (including factoring) | 220,401 | 204,926 | +15,475 | +7.55% | ↑ |
| Securities Portfolio | 190,626 | 206,200 | -15,574 | -7.55% | ↓ |
| **Total Liabilities** | **382,851** | **392,904** | **-10,053** | **-2.56%** | ↓ |
| Deposit Portfolio | 181,820 | 173,610 | +8,210 | +4.73% | ↑ |
| Outstanding Bond Portfolio | 65,291 | 69,774 | -4,483 | -6.43% | ↓ |
| **Total Equity** | **90,359** | **75,120** | **+15,239** | **+20.28%** | ↑ |
| Net Profit | 9,120 | 9,815 | -695 | -7.08% | ↓ |
| **Total** | **473,210** | **468,024** | **+5,186** | **+1.11%** | ↑ |
| **OTHER INDICATORS** | | | | | |
| Employees (average annual) | 168 | 167 | +1 | +0.06% | ↑ |
| Customers | 5,890 | 5,683 | +207 | +3.64% | ↑ |
| **COEFFICIENTS** | | | | | |
| ROA | 1.93% | 2.10% | | | |
| ROE | 10.09% | 13.07% | | | |
| Revenue per Employee (AMD million) | 304,1 | 280,5 | +23,6 | +8.41% | ↑ |
| Profit per Employee (AMD million) | 65,3 | 72,2 | -6,9 | -9,56% | ↓ |

## PROFIT

**9,120**
2025

**9,815**
2024

-695 | -7.08% ↓

## EMPLOYEES

**168**
2025

**167**
2024

+1 | +0.06% ↑

## CUSTOMERS

**5,890**
2025

**5,683**
2024

+207 | +3,64% ↑

## COEFFICIENTS

| | 2025 | 2024 |
|---|---|---|
| ROA | 1.93% | 2.10% |
| ROE | 10.09% | 13.07% |
| Revenue per Employee (AMD million) | 304,1 | 280,5 |
| Profit per Employee (AMD million) | 65,3 | 72,2 |

# LENDING

**Key Indicators and Highlights of the Bank’s Lending Activities in 2025**

## LENDING PRODUCTS AND LOAN PORTFOLIO

Lending to the real economy remains one of the Bank’s strategic and core business priorities. As of December 31, 2025, the total loan portfolio accounted for approximately 46.6% of the its total assets.

In line with its lending policy, the Bank continues to prioritize financing sustainable businesses with strong growth prospects and effective management systems. The Bank is committed to building long-term relationships with clients who already use, or are interested in, its broader range of banking products and services.

ArmSwissBank offers its customers a comprehensive range of lending products, 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.

To address the specific needs of its customers, the Bank frequently adopts a flexible financing approach by combining different lending products or substituting one financing instrument for another, depending on the purpose of the project, its maturity, the source of repayment, and other relevant factors. This approach enables customers to benefit from financing solutions that are both more accessible and better tailored to their individual needs.

The Bank's lending portfolio is primarily concentrated in the following sectors of the economy:

- **Manufacturing** (including the food processing industry, light industry, aquaculture, and other manufacturing activities), including export-oriented companies
- **Energy,** with a particular focus on renewable energy projects
- **Trade and agriculture** (including agricultural production, processing, and orchard establishment)
- **Residential real estate development and tourism**

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

As of December 31, 2025, ArmSwissBank ranked 8th among Armenian banks in terms of the volume of its loan portfolio to legal entities, accounting for approximately 4.1% of the total loan portfolio of the banking system of the Republic of Armenia.[1]

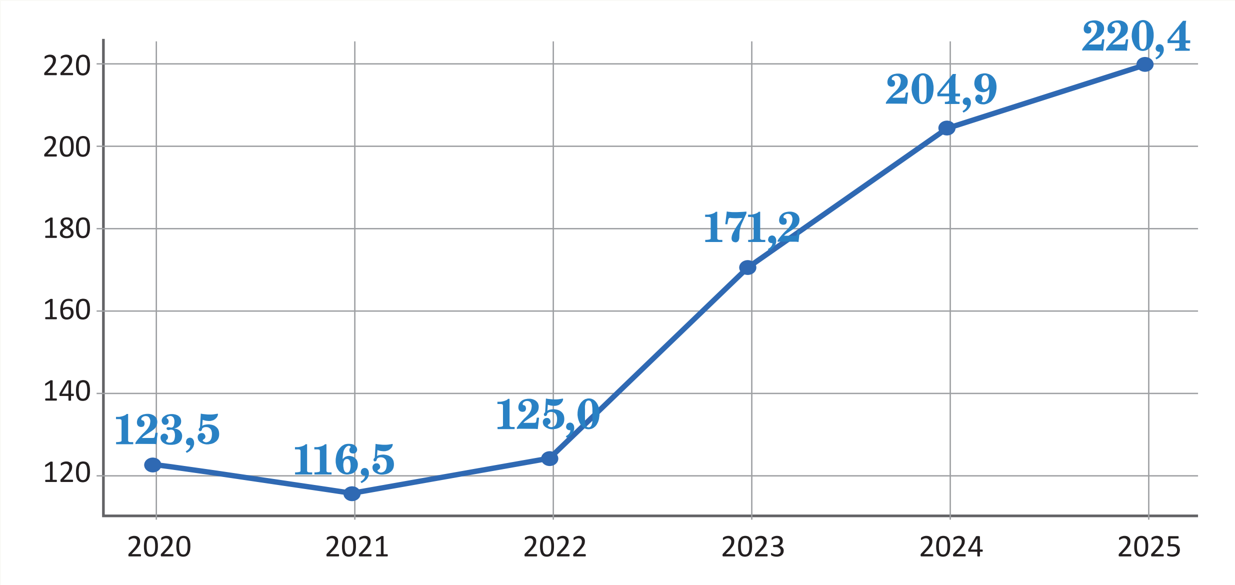
Within its personal lending services, the Bank has been steadily expanding its presence in the mortgage market, offering customers competitive financing solutions for the purchase or renovation of residential property.

The Bank's loan portfolio is funded through a combination of its own resources and dedicated credit lines provided by local and international financial institutions. As of year-end 2025, programme financing accounted for approximately **17.4%** of the Bank's total loan portfolio.

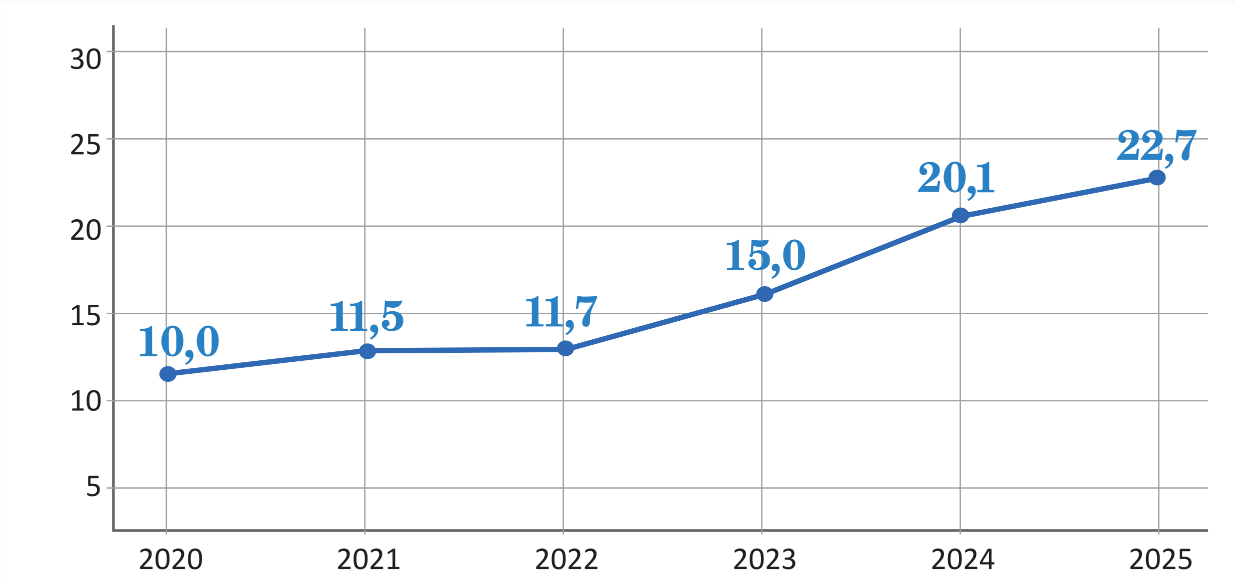
As of 31 December 2025, ArmSwissBank's total loan portfolio amounted to approximately **AMD 220.4 billion**, representing an increase of **7.6%** compared with the previous year. Interest income generated from lending activities reached approximately **AMD 22,7 billion**, reflecting **12.9%** year-on-year growth.

1 Source: ArmInfo News Agency, Annual Analytical Report No. 125, dated 25 February 2026.

**The Loan portfolio** (AMD Billion)




**The Dynamic of interest income on lending activities** (AMD Billion)



The main directions of the Bank's lending are:

- **Corporate Lending, including SME**
- **Project Financing**
- **Individual Lending**
- **Export Financing and Factoring**
- **Leasing**

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

## CORPORATE LENDING, INCLUDING SMALL AND MEDIUM-SIZED ENTERPRISES (SMES)

The majority of the Bank's loan portfolio is concentrated in this sector, which, as of the end of 2025, amounted to about 45.0%-ը2 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 Bank's target clients are companies engaged in manufacturing, including businesses involved in import substitution and those with export potential. To support their growth, the Bank provides and continuously enhances a broad range of modern financial products and services that meet international standards.

At the same time, the volume of leasing transactions increased significantly, primarily driven by government subsidy programmes supporting investment in eligible sectors. As of 31 December 2025, the Bank's leasing portfolio amounted to approximately AMD 18,0 billion.

The Bank expects demand for leasing products and bank guarantees to remain strong throughout 2026, reflecting the sector's significant untapped growth potential and positive development outlook. Accordingly, the Bank aims to increase its leasing portfolio to AMD 20 billion by the end of 2026.

## PROJECT FINANCE

This segment of the Bank's loan portfolio comprises financing provided for new business initiatives in renewable energy, construction, agriculture, and a range of

2 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.

other sectors. As of year-end 2025, the project finance portfolio accounted for more than 26.7% of the Bank's total loan portfolio, representing an increase of approximately 6.5% compared with year-end 2024. Programme loans constituted 21.9% of the project finance portfolio.

As of year-end 2025, the Bank had successfully financed the construction of approximately 185 medium- and large-scale solar power plants, representing one of the largest renewable energy financing portfolios in the Armenian banking sector.

This achievement has been driven by the effective use of both dedicated financing provided under international funds and programmes and the Bank's own resources. During the same period, approximately 15 construction projects were under financing through a combination of the Bank's own funds and programme credit lines.

The Bank was also the first financial institution to finance the construction of an energy-efficient residential building under the "Energy Efficiency for SMEs" programme of the German-Armenian Fund. This initiative remains ongoing, and the Bank continues to expand its portfolio of similar projects, supporting the development of energy-efficient and sustainable construction in Armenia.

## INDIVIDUAL LENDING

While retail banking is not the Bank's primary strategic focus, it places particular emphasis on mortgage lending, a segment that has demonstrated sustained growth in recent years. Mortgage lending also plays an important role in supporting the Bank's construction financing portfolio by contributing to effective credit risk management and the successful implementation of financed development projects.

As of year-end 2025, the Bank's retail loan portfolio, including consumer loans, accounted for more than **18.5%** of its total loan portfolio, representing an increase of approximately **6.1%** compared with the previous year.

To provide a comprehensive range of banking services, the Bank offers retail lending products—including mortgage, consumer, and card loans—to the owners, senior management, and employees of its 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 reflected in the numerous awards the Bank has received from its international partner institutions—including the European Bank for Reconstruction and Development (EBRD), the Asian Development Bank (ADB), and the International Finance Corporation (IFC)—in recognition of its outstanding performance in trade finance.

Export finance is a key strategic priority within the Bank's trade finance business.

Export finance remains a key strategic focus of the Bank's trade finance operations. The Bank offers domestic factoring and accounts receivable financing solutions designed to enhance clients' working capital efficiency, improve liquidity, and reduce the risks arising from payment delays.

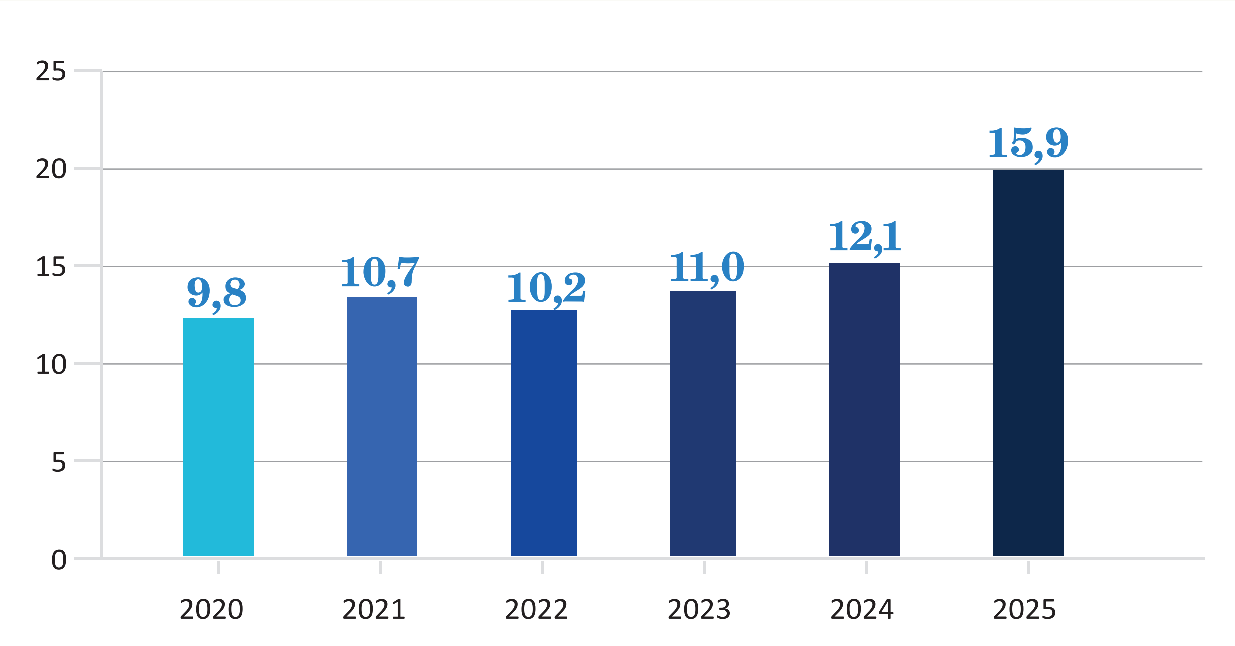
The Bank collaborates with a number of leading international financial institutions, including the European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), Eurasian Development Bank (EDB), Black Sea Trade and Development Bank (BSTDB), International Finance Corporation (IFC), as well as member banks of FCI (formerly Factors Chain International). Through these partnerships, the Bank offers clients a comprehensive range of international trade finance solutions, including letters of credit, documentary collections, international guarantees, and pre-export and post-export financing.

As of the end of 2025, the Bank's export finance and factoring portfolio amounted to AMD 15,9 billion, representing an increase of approximately 31.2% compared with the previous year. The factoring portfolio accounted for approximately 7.0% of the Bank's total loan portfolio.

Given the short-term nature of factoring products, the annual volume of financing provided offers a more comprehensive measure of business activity. During 2025, the Bank extended approximately AMD 38,7 billion in export finance and factoring facilities.

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

**Export financing and factoring portfolio** (AMD billion)




As of the end of 2025, the Bank's pre-export and post-export lending portfolio increased by approximately 31.4**%** compared with the end of 2024. In this area, the Bank continues to work closely with the International Finance Corporation (IFC) and has maintained its position as IFC's most active partner bank in Armenia.

The Bank's factoring solutions are predominantly used by companies in the light manufacturing, aquaculture, beverage production, fruit and vegetable processing and canning, transport and logistics, and wholesale and retail trade sectors.

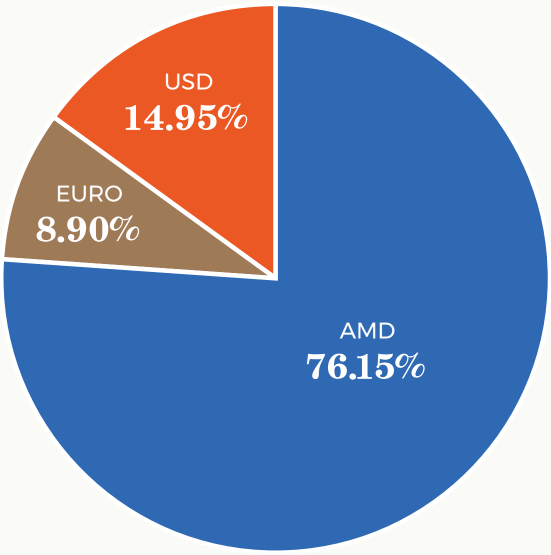
At the same time, the Bank continues to actively expand its network of financial partners with the aim of broadening its trade finance capabilities and further strengthening support for clients' export and import activities.

## 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 Composition of the Loan Portfolio as of 31 December 2025**

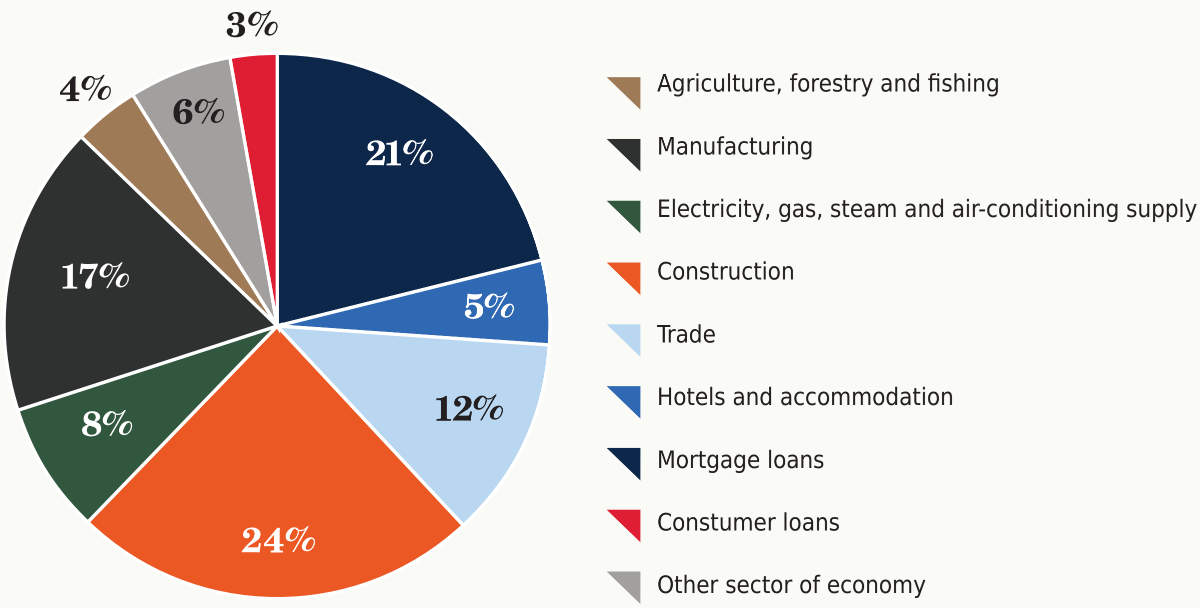
Share(%)




Over the past three years, the share of AMD-denominated loans in the Bank's loan portfolio has increased steadily, reaching 76.15% at the end of 2025, compared with 72.00% in 2024 and 64.27% in 2023.

Over the same period, the share of USD-denominated loans followed the opposite trend, decreasing to 14.95% in 2025, compared with 20.39% in 2024 and 26.35% in 2023.

**Loan Portfolio Breakdown by Economic Sector**



# 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 SECURITIES PORTFOLIO

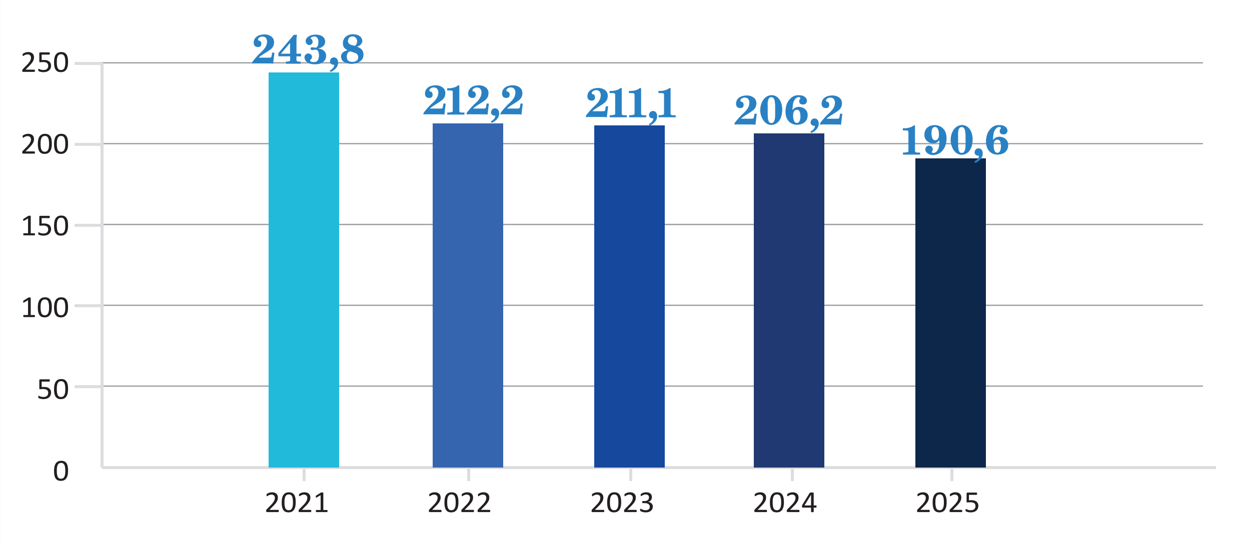
As of 31 December 2025, ArmSwissBank's securities portfolio (including securities purchased and sold under repurchase (repo) agreements) amounted to AMD 190.6 billion at carrying value. Compared with the corresponding figure at the end of 2024, the portfolio declined by 7.6%, reflecting the Bank's investment strategy and internal policy aimed at maintaining a stable and well-balanced investment portfolio.

**The securities portfolio accounted for 40.0% of the Bank's** total assets, enabling the Bank to maintain its position among the leading institutions in Armenia's banking sector, **ranking fifth by securities portfolio size.**[3]

The portfolio balance fluctuated throughout the year, reflecting the Bank's active participation in the secondary securities market, as well as its repo and reverse repo transactions in the local currency market. This approach is consistent with the Bank's investment strategy and continues to contribute to the strengthening of its financial performance.

3 According to the annual analytical report No. 125 of Arminfo Agency dated 25.02.2026.

**Securities Portfolio**
(AMD billion)

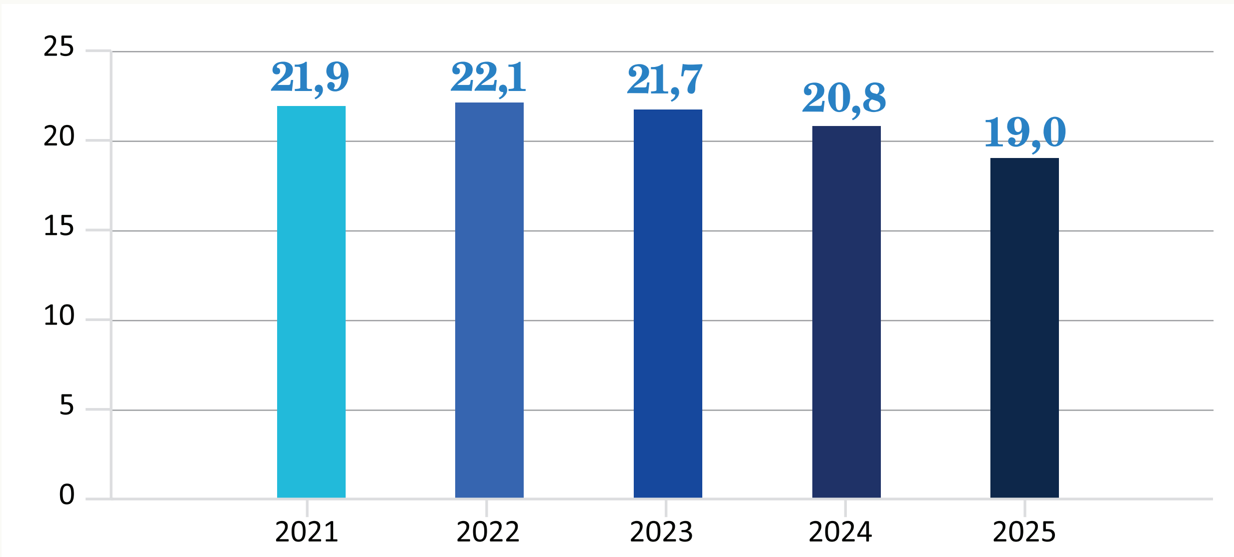



As of the end of 2025, government securities accounted for approximately 94.9% of the Bank's securities portfolio, while 5.1% comprised corporate bonds and equity investments in Armenian companies. The government securities portfolio also included Eurobonds issued by the Ministry of Finance of the Republic of Armenia.

In 2025, the average annual yield on the Bank's securities portfolio, including gains from the sale of securities, amounted to 9.97%, while the government securities portfolio generated an average annual yield of 10.01%.

During the year, interest income generated from the securities portfolio totaled approximately AMD 19,0 billion, accounting for 42.21% 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 continued to enhance and expand its range of investment services, offering clients comprehensive and tailored solutions. The Bank currently provides a broad spectrum of capital market services, including securities brokerage, custody services, issuer registry maintenance, arrangement and placement of securities issuances, secondary market liquidity provision, investment advisory services, and other related investment services.

As of 31 December 2025, within the framework of registry maintenance and custody services provided by the Depository through the Bank, the Bank maintained securities registers for 158 issuers, including 26 bond registers, and 352 custody accounts of account holders.Securities recorded in depo accounts opened with the Bank amounted to AMD 66.01 billion. The securities placed in custody by clients mainly comprised U.S., European, Russian, and Armenian government and corporate securities.

As of 31 December 2025, under its market-making services, the Bank acted as the market maker for 35 bond issues of 14 issuers. The majority of these securities were bonds issued by commercial banks and other financial institutions in Armenia.

The Bank maintains an active presence in the short-term money market and, as part of its liquidity management strategy, both raises and provides short-term funding to domestic and international counterparties through a range of instruments, including repurchase (repo) agreements, foreign exchange swaps, interbank loans, and other money market instruments.In addition, the Bank maintains active business relationships with banks and non-bank financial institutions, including credit organizations, insurance companies, and investment firms, enabling them to access both international and domestic financial markets through a broad range of investment and financing instruments.

## FOREIGN EXCHANGE AND GOLD OPERATIONS

In 2025, ArmSwissBank maintained a high level of activity in the foreign exchange market, working closely with both domestic and international banking counterparties. The Bank continued to execute transactions on electronic foreign exchange trading platforms with physical settlement, significantly reducing the risks associated with interbank transactions while enhancing operational efficiency.

During the year, the Bank also continued to expand its activities in the precious metals market, with a particular focus on gold bullion and unallocated (non-physical) gold transactions. In 2025, the Bank purchased gold bullion from international counterparties, sold gold bullion to clients, and conducted transactions in unallocated gold. The total volume of gold transactions with clients amounted to approximately AMD 228,9 million.

In addition, during 2025, the Bank imported 9 kg of Swiss-manufactured gold bullion from international partners in denominations of 5g, 10g, 20g, 50g, and 100g. The bullion was produced by Valcambi, one of Switzerland's leading precious metals refiners.

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# Finance

# FUNDING ACTIVITIES

The Bank's governing bodies place particular emphasis on securing stable, long-term, and competitively priced funding, recognizing it as a key prerequisite for sustainable growth and the expansion of the Bank's business activities.

In pursuing its funding strategy, the Bank utilizes a diversified range of funding sources and instruments, guided by the principles of diversification across currencies, maturities, funding instruments, and customer segments, thereby supporting a resilient and balanced funding structure.

**The Bank's primary funding sources include:**

- Demand and term deposits accepted from corporate and individual clients,
- Program financing from international and domestic financial institutions
- Issuance and placement of the Bank's own bonds, enabling the Bank to secure longer-term funding, reduce the overall cost of funding, mitigate early redemption risk, and further diversify its investor base.
- Funding from the Armenian interbank market through repurchase (repo) transactions.

## MOBILIZATION OF DEPOSITS

Deposits remain one of the Bank's traditional sources of funding. The Bank offers corporate and retail clients a range of term deposit products, including:

**Standard Deposit**

**Variable Deposit**

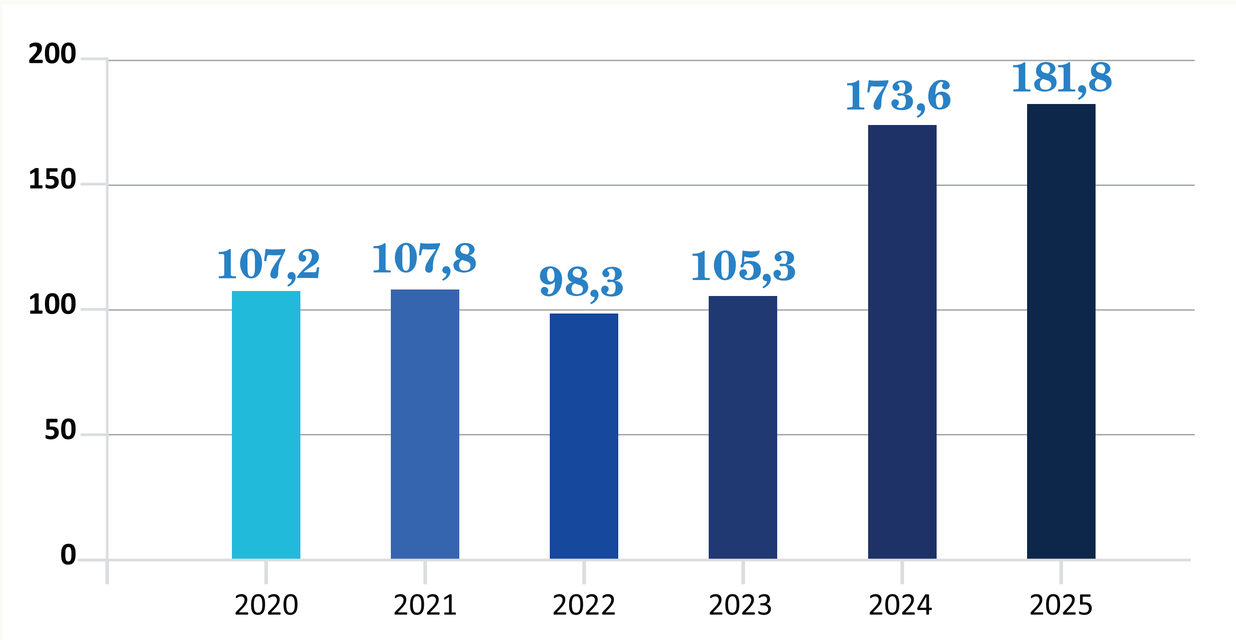
**Cumulative Deposit**

Deposits placed by individual customers are protected by the Deposit Guarantee Fund of Armenia, within the coverage limits established by applicable legislation.

Consistent with its business model and strategic focus on serving clients beyond the mass retail banking segment, the Bank maintains minimum deposit thresholds. During 2025, the minimum deposit amount was set at AMD 10 million for deposits denominated in Armenian drams and USD 20,000, EUR 20,000, and RUB 1 million for deposits denominated in U.S. dollars, euros, and Russian rubles, respectively.

**Term Deposit Portfolio**

(AMD Billion)



## COOPERATION WITH FINANCIAL ORGANIZATIONS

ArmSwissBank continues to strengthen its partnerships with both domestic and international financial institutions, with the objective of expanding its funding capacity and offering clients new financing solutions on competitive terms.

**The Bank's main partners are listed below.**

- The Bank has maintained a long-standing and successful partnership with the European Bank for Reconstruction and Development (EBRD). Since 2010, in addition to trade finance, the Bank has achieved significant results in SME financing and under the GCF–GEFF Armenia Energy Efficiency Programme.

Over the course of this partnership, the Bank's financing limit under EBRD facilities has increased nearly tenfold, reaching USD 38.5 million, one of the largest limits available within Armenia's banking sector.

The strength and continued development of the Bank's cooperation with the EBRD in the area of trade finance was further recognized at the EBRD Annual Meeting, held in London on 13–15 May 2025, where, based on its 2024 performance under the Trade Facilitation Programme (TFP), the Bank received the "Most Active Issuing Bank in Armenia 2024" award as well as the "Green Trade Deal of the Year" award.

The "Most Active Issuing Bank" award marks the seventh consecutive year that the Bank has received this recognition from the EBRD, reaffirming its leading position in Armenia's trade finance market.

- In 2025, ArmSwissBank received accreditation from the Green Climate Fund (GCF), becoming the first and only private sector institution in the Republic of Armenia to be accredited by the GCF.

This accreditation provides the Bank with direct access to the world's largest climate finance fund, enabling it to regularly submit eligible climate projects and mobilize up to USD 50 million in concessional financing per project to support investments aligned with Armenia's climate priorities.

- ArmSwissBank continues to maintain a strong and productive partnership with the Asian Development Bank (ADB) under the Trade and Supply Chain Finance Program (TSCFP). The Bank currently benefits from an approved trade finance limit of USD 9 million.

In recognition of its outstanding performance under the program, ArmSwissBank was named "Leading Partner Bank in Armenia" for the third consecutive year at the 10th Annual Trade and Supply Chain Finance Program Awards, held in Singapore on 3 September 2024.

- The Bank actively participates in a number of programs implemented by KfW and the European Investment Bank (EIB) through the German-Armenian Fund (GAF), enabling the Bank to offer clients affordable and competitive AMD-denominated loans under these programs.
- ArmSwissBank became the first bank in Armenia to sign a EUR 20 million guarantee facility agreement with the European Investment Fund (EIF).

The facility is designed to support Armenia's economic development by improving access to finance for small and medium-sized enterprises (SMEs) and women-led businesses.

This partnership represents the EIF's first programmatic cooperation in Armenia and marks an important milestone for the country's financial sector. The guarantees provided under the agreement enable SMEs to benefit from more accessible and flexible financing through reduced collateral requirements and longer loan maturities.

- ArmSwissBank joined the United Nations Environment Programme Finance Initiative (UNEP FI), reaffirming its commitment as a signatory to the Principles for Responsible Banking (PRB).

This important milestone underscores the Bank's commitment to sustainable development by aligning its business strategy with the objectives of the Paris Agreement and the United Nations Sustainable Development Goals (SDGs).

The Bank joined the Banking Association for Central and Eastern Europe (BACEE), marking an important step in expanding its international partnerships and strengthening cooperation with regional financial institutions. Membership in BACEE also provides a valuable platform for knowledge sharing, the exchange of best practices, and deeper engagement with the regional banking community.

- ArmSwissBank became the first financial institution in Armenia to join the Partnership for **Carbon Accounting Financials (PCAF), a global initiative that brings together leading financial institutions to advance harmonized methodologies for measuring and reporting financed greenhouse gas emissions.**

Membership in PCAF enables the Bank to assess and calculate the carbon dioxide ($CO_2$) emissions associated with its lending and investment portfolio, including both financed emissions and emissions reductions resulting from financed projects. It also strengthens the Bank's capacity to develop targeted strategies for climate risk management and the reduction of environmental impacts, where appropriate.

- ArmSwissBank became the first financial institution in Armenia to officially publish a Climate Transition Plan, presenting the Bank's first comprehensive strategic framework for addressing climate change. The Plan is aligned with the objectives of the Paris Agreement and Armenia's Long-Term Low Greenhouse Gas Emission Development Strategy (LT-LEDS) to 2050.

- ArmSwissBank became the first bank in Armenia to join the **Visa B2B Connect** network, a cross-border payment solution designed specifically for business-to-business (B2B) international transactions. The service provides access to a global network of participating banks and financial institutions across approximately 118 countries, enabling clients to make secure, efficient, and transparent international payments.
- The Bank joined the **ArcaPay payment system**, enabling customers to make fast, convenient, and secure money transfers. Through the ArmSwissMobile application, clients can transfer funds within seconds to customers of other participating banks by simply entering the recipient's mobile phone number.
- ArmSwissBank's **"Climate Intelligence: ArmSwissBank Leads Green"** campaign was recognized as the winner in the **"Climate Change and Literacy"** category at the prestigious IPRA Golden World Awards 2025, acknowledging the Bank's outstanding contribution to promoting climate awareness and sustainability.
- Under its pre-export and post-export finance program, the Bank will continue to expand export financing supported by guarantees issued by the Export Insurance Agency of Armenia (EIAA). ArmSwissBank remains the most active partner financial institution of the EIAA within Armenia's banking sector and continues to work closely with the Agency to explore new financial instruments aimed at making export financing more efficient, accessible, and attractive for its clients.

During 2025, the Bank will continue to strengthen its cooperation with both international and domestic financial partners while expanding its network of new funding partners. These partnerships will focus on SME financing, energy efficiency, trade finance, and other strategic programs, with the objective of mobilizing additional funding and providing clients with financing on competitive and accessible terms.

## ISSUANCE OF OWN BONDS

As of 31 December 2025, the Bank had 15 outstanding bond issues. Details of these issuances are presented below.

**Summary of the Bank's Issued, Placed and Redeemed Bonds**

as of 31 December 2025.

| | Issue value | Issue volume | Duration | Coupon | Maturity date |
|---|---|---|---|---|---|
| **2015** | | | | | |
| **SWISB1** | **USD** | 2,000,000 | **3 years** | 7.50 % | 16.04.2018 |
| **SWISB2** | **USD** | 3,000,000 | **4 years** | 8.00 % | 16.04.2019 |
| **SWISB3** | **USD** | 5,000,000 | **5 years** | 8.50 % | 27.04.2020 |
| **2017** | | | | | |
| **SWISB4** | **USD** | 10,000,000 | **7 years** | 6.75% | 15.06.2024 |
| **SWISB5** | **EUR** | 10,000,000 | **6 years** | 5.00% | 15.06.2023 |
| **SWISB6** | **AMD** | 2,000,000,000 | **4 years** | 12.75% | 15.06.2021 |
| **2018** | | | | | |
| **SWISB7** | **AMD** | 3,000,000,000 | **5 years** | 11.50% | 24.05.2023 |
| **SWISB8** | **USD** | 6,000,000 | **7 years** | 6.50% | 23.05.2025 |
| **SWISB9** | **USD** | 10,000,000 | **6 years** | 6.00% | 22.11.2024 |
| **2019** | | | | | |
| **SWISB2A** | **USD** | 5,000,000 | **6 years** | 6.50% | 02.05.2025 |
| **SWISB2B** | **EUR** | 3,000,000 | **4 years** | 4.00% | 02.05.2023 |
| **2020** | | | | | |
| **SWISBC** | **AMD** | 10,000,000,000 | **5 years** | 9.00% | 01.06.2025 |
| **SWISBD** | **USD** | 10,000,000 | **6 years** | 6.00% | 01.06.2026 |
| **SWISBE** | **EUR** | 10,000,000 | **5 years** | 3.50% | 01.06.2025 |
| **SWISBF** | **AMD** | 10,000,000,000 | **6 years** | 8.50% | 28.09.2026 |
| **2023** | | | | | |
| **SWISBH** | **AMD** | 10,000,000,000 | **4 years** | 11.75 % | 01.06.2027 |
| **SWISBI** | **USD** | 10,000,000 | **4 years** | 6.00 % | 01.06.2027 |
| **SWISBJ** | **EUR** | 9,400,000 | **4 years** | 4.50 % | 01.06.2027 |
| **2024** | | | | | |
| **SWISBK** | **AMD** | 4,650,000,000 | **2 years** | 10.00% | 21.10.2026 |
| **SWISBL** | **AMD** | 5,000,000,000 | **3 years** | 10.00% | 12.08.2027 |
| **SWISBM** | **AMD** | 5,000,000,000 | **4 years** | 10.20% | 10.06.2028 |
| **SWISBN** | **USD** | 2,800,000 | **3 years** | 6.00% | 21.10.2027 |
| **SWISBO** | **USD** | 15,000,000 | **4 years** | 6.25% | 10.06.2028 |
| **SWISBP** | **EUR** | 2,100,000 | **4 years** | 5.00% | 10.06.2028 |
| **2025** | | | | | |
| **SWISBR** | **AMD** | 4,742,750,000 | **4 years** | 10.25% | 16.06.2029 |
| **SWISBS** | **AMD** | 7,000,000,000 | **5 years** | 10.50% | 16.06.2030 |

In 2025, the Bank completed the issuance of two tranches of AMD-denominated bonds, successfully placing bonds with a total nominal value of AMD 11,7 billion. The subscription period for one of the tranches was reopened and successfully completed on 15 January 2026, resulting in the placement of an additional AMD 2,26 billion.

During 2025, the Bank also reopened and successfully placed USD 5,3 million and EUR 1,1 million of previously issued bond tranches.

In addition, the Bank successfully redeemed four bond issues during the year.

As of 31 December 2025, the Bank had 13 bonds listed on the trading platform of the Armenian Stock Exchange. During 2025, four bond issues issued by the Bank were redeemed.

All bonds issued by the Bank are listed and traded on the Armenian Stock Exchange following completion of their placement. To support bond liquidity, the Bank uses market maker services, ensuring two-way quotations for its bonds during trading sessions.

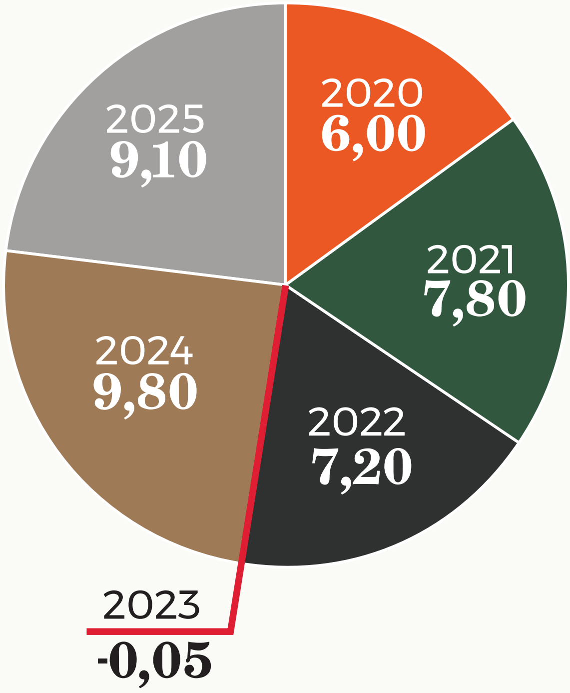
The Bank's bond issuances continue to attract strong investor demand, as reflected in their trading activity and market quotations on the Armenian Stock Exchange.

# FINANCIAL RESULTS

In 2025, ArmSwissBank generated a net profit of approximately AMD 9,1 billion, remaining broadly in line with the previous year's result.

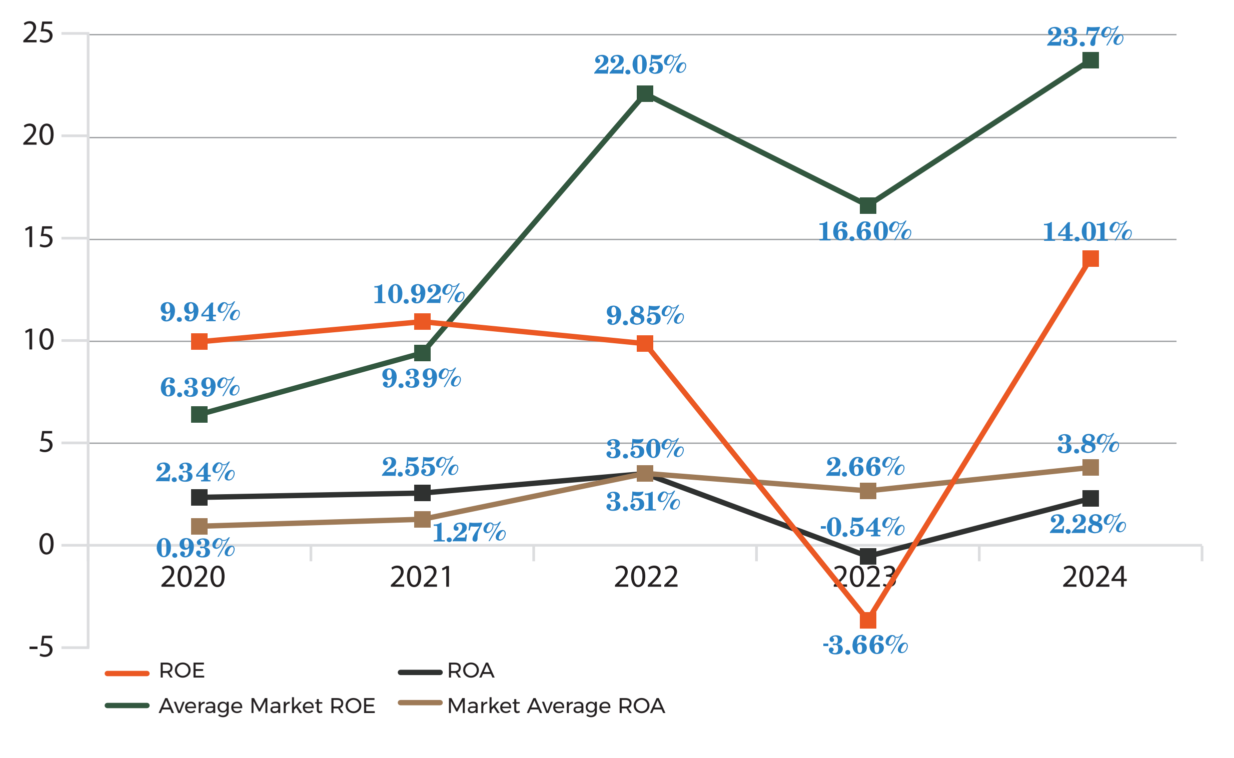
**Net Profit (AMD bn)**

(AMD Billion)




In 2025, the Bank's return on assets (ROA) was 2.50%, while its return on equity (ROE) stood at 14.63%. According to Arminfo's Annual Analytical Report No. 125, published on 25 February 2026, the average ROA and ROE for the Armenian banking sector were 3.63% and 22.50%, respectively.

## ANNUAL PROFITABILITY RATIOS




ArmSwissBank continues to rank among the leading banks in Armenia in terms of revenue per employee and profit per employee, reflecting the Bank's high level of operational efficiency.

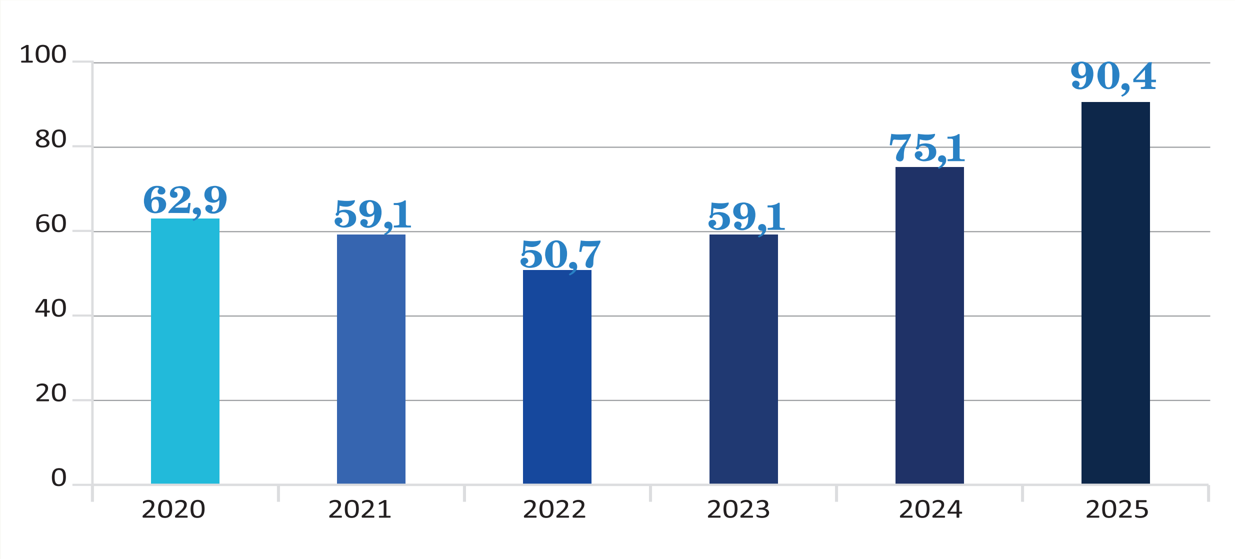
In 2025, the Bank ranked first in revenue per employee and second in profit per employee within the Armenian banking sector, according to Arminfo's Annual Analytical Report No. 125, published on 26 February 2025.

In 2025, the Bank's revenue per employee and profit per employee amounted to AMD 304,1 million and AMD 65,3 million, respectively.

As of 31 December 2025, the Bank's total capital stood at AMD 90,4 billion, representing an increase of 20.4% compared with the end of 2024. The growth in capital was primarily driven by increases in the general reserve and retained earnings, as well as positive revaluation gains recognized during the year.

**Capital**

(AMD Billion)

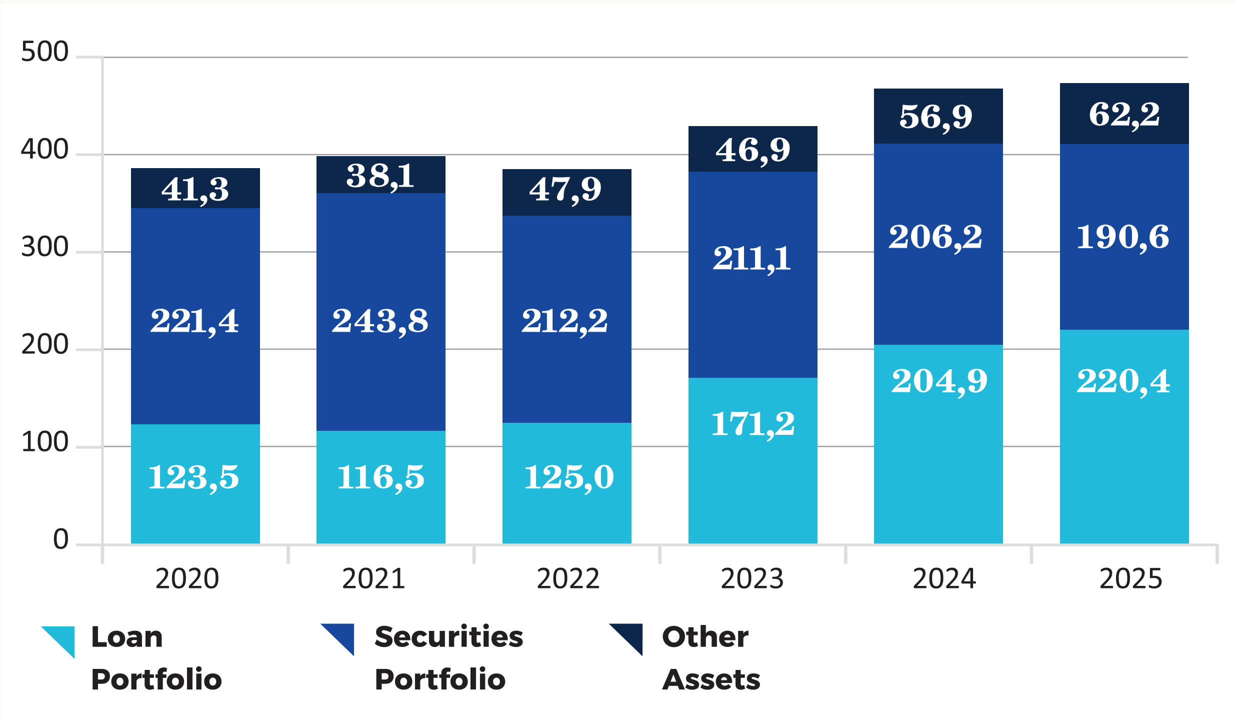



As of 31 December 2025, the Bank's total assets exceeded AMD 473,2 billion, representing an increase of 1.1% compared with the end of the previous year.

The Bank's asset base continued to be primarily composed of investments in securities—predominantly Government of Armenia bonds—and loans and advances to customers, which remain the Bank's principal income-generating assets and the main drivers of its revenue.

**ASSETS**

(AMD Billion)

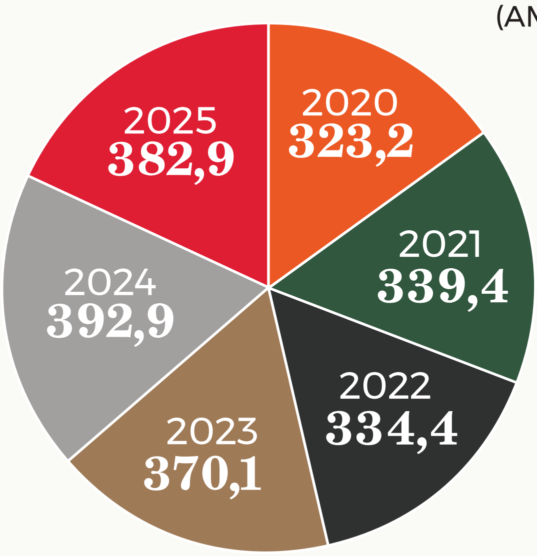


During 2025, the Bank's total liabilities decreased by 2.6%, amounting to AMD 382,9 billion as of year-end.

The decrease was primarily attributable to a reduction in funding obtained through repurchase (repo) agreements, reflecting the Bank's ongoing optimization of its funding structure.

**Liabilities**

(AMD Billion)




According to the ranking of the 1,000 largest taxpayers in Armenia for the period from January to December 2025, the Bank paid approximately AMD 4,1 billion in taxes.

The Bank ranked 78th among the country's 1,000 largest taxpayers and 14th among commercial banks operating in Armenia.

# People

# PEOPLE DEVELOPMENT

## OUR PEOPLE

At ArmSwissBank, we believe that a strong corporate culture should be reflected not only in our values but also in our day-to-day practices. Guided by this principle, the Bank fosters a workplace that emphasizes professional excellence, accountability, and recognition of its people.

The Bank is firmly convinced that the foundation of a sustainable and successful organization lies in respect for its employees and the continuous development of their knowledge, skills, and potential.

As part of its human resources management strategy, the Bank places strong emphasis on attracting highly qualified and motivated professionals, supporting the professional and personal development of its employees, providing continuous learning opportunities, and facilitating the successful integration of young talent into the Bank's corporate culture and working environment.

At the same time, the Bank remains committed to fostering a healthy, collaborative, and trust-based workplace that encourages teamwork, engagement, and long-term professional growth.

The Bank's relationships with its employees are built on the principles of long-term partnership, mutual trust, and respect. Recognizing that professional excellence is fundamental to sustainable success, the Bank consistently encourages continuous learning, professional training, the acquisition of new knowledge and skills, and the pursuit of career development opportunities.

The Bank's employees are distinguished by their professional expertise, strong sense of responsibility, initiative, and effective teamwork skills. Throughout the year, many employees participated in professional training programmes, seminars, conferences, and online learning initiatives organized in Armenia and abroad, including those delivered by the Bank's international partners, further strengthening their expertise and facilitating the exchange of knowledge and best practices.

To further strengthen professional capabilities, the Bank continued to encourage employees to participate in internationally recognized professional development and certification programs, including **ACCA**, **CFA**, **ACAMS**, and other specialized qualification courses. As a result of these initiatives, a number of the Bank's employees successfully obtained internationally recognized professional certifications, further enhancing the Bank's institutional expertise and professional capacity.

Reflecting its commitment to inclusion and social responsibility, the Bank employed one individual who sustained injuries during the war in 2025, providing the necessary professional training and support to facilitate their successful integration into the banking sector.

Throughout 2025, the Bank organized a variety of team-building and employee engagement initiatives aimed at strengthening internal communication, fostering collaboration, and reinforcing a culture of mutual trust. These initiatives helped create a balanced combination of professional and informal interaction, strengthened interpersonal relationships, and enhanced employee engagement and team cohesion across the organization.

| | |
|---|---|
| Number of Employees | → **173** |
| Female Employees | → **108** employees, **62.4%** |
| Average Employee Age | → **36** |
| Senior Management | → **9** employees, **5.2%** |
| Middle Management | → **27** employees, **15.6%** |
| Principal and Senior Specialists | → **75** employees, **43.4%** |
| Specialists | → **62** employees, **35.8%** |

As of 31 December 2025, the Bank employed 173 people. Of these:

- All employees held a higher education degree;
- Three employees held a PhD (Candidate of Sciences) degree, and one employee held the academic title of Associate Professor (Docent);
- During the year, one employee obtained an additional ACCA qualification, while five employees held the internationally recognized ACAMS certification.

# CUSTOMERS

Delivering exceptional customer service has consistently been a priority for ArmSwissBank's governing bodies and employees. This approach is fully aligned with the Bank's core strategic values, which are focused on providing high-quality, comprehensive banking services through a personalized approach to every customer.

The Bank's primary financing focus is on corporate clients engaged in manufacturing and export-oriented activities. In addition, the Bank serves selected segments of individual customers and institutional clients that actively participate in the financial market as depositors, bond investors, and users of foreign exchange and other investment products.

The Bank finances these clients through both traditional lending and alternative trade finance instruments, thereby supporting the growth of manufacturing and export activities.

In recent years, one of the Bank's strategic priorities has been to support the financing of industrial modernization, technological upgrades, energy efficiency improvements, and green initiatives.

As of 31 December 2025, the total number of ArmSwissBank's active customers remained broadly unchanged compared with the previous year. However, the composition of the customer base improved, reflecting the successful activation of previously inactive corporate clients. As a result, legal entities accounted for 30.2% of the Bank's active customers at year-end, while individuals represented 69.8%.

# RISK MANAGEMENT SYSTEM

The Bank continuously enhances its risk management framework based on international best practices, applicable legal and regulatory requirements, and its own institutional experience, ensuring that its risk management processes remain robust, forward-looking, and aligned with the Bank's strategic objectives.

The Bank applies the Three Lines of Defence model. Under this model, the first line is represented by the Bank's revenue-generating business units. The second line comprises the risk management and compliance functions, which regularly monitor risks and report on them to the Bank's management.The third line is represented by the Internal Audit function, which provides independent and objective assessments and assurance to the Bank's Board and Management on the effectiveness of internal control, risk management, and corporate governance processes.

The Risk Management Department is responsible for developing the Bank's risk management policies and procedures, risk appetite framework, risk strategy, and recovery plan. It also assesses the adequacy of the Bank's capital, conducts stress testing, monitors activities involving financial risks, and reports regularly to the Board of Directors and Management on the Bank's risk profile, compliance with established risk limits, and key risk issues requiring management 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:

- 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.

- 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.

- To mitigate operational risk, the Bank implements an insurance package that includes coverage for comprehensive banking risks, electronic and cybercrime, and professional liability. The Bank also maintains property insurance coverage for its buildings and other tangible assets.

Overall oversight of the Bank's risk management framework is exercised by the Board of Directors, the Chief Executive Officer, and the Bank's governance committees established in accordance with the principles of corporate governance, including the Management Board, the Credit Committee, and the Asset and Liability Management Committee (ALCO).

# SOCIAL RESPONSIBILITY

For ArmSwissBank and its employees, **social responsibility** and a proactive commitment to addressing the needs of the community are integral values that extend beyond day-to-day professional activities.

Throughout 2025, the Bank continued to support a broad range of social responsibility and charitable initiatives aimed at preserving and promoting cultural heritage, advancing educational programs, fostering environmental awareness, and providing assistance to socially vulnerable groups, including children and families in need, among other community-focused initiatives.

Specifically:

- The Bank donated state-of-the-art audio guide equipment to the museums of the Mother See of Holy Etchmiadzin, reaffirming its commitment to supporting the technological modernization of Armenia's museums and the adoption of innovative visitor engagement solutions. As a result, visitors to the museums of the Mother See of Holy Etchmiadzin can now access information about the museums' sacred relics and valuable works of art through an audio guide system. In addition, radio guide equipment enhances the quality and convenience of group tours, particularly in larger exhibition halls, enabling a more effective and engaging visitor experience.
- With funding provided by ArmSwissBank, two Armath Engineering Laboratories were established at the secondary schools of Aghavnatun and Metsamor in Armavir Province, contributing to the development of technology education for young people. The laboratories provide students with opportunities to develop practi-

cal skills in programming, robotics, and 3D modeling. The initiative also benefits students from neighboring communities, expanding access to modern STEM education and creating broader educational opportunities across the region.

- Ahead of the New Year holidays, ArmSwissBank participated in the "Become Santa Claus" initiative, implementing a social support program with the active involvement of its employees, who prepared and delivered holiday gifts to children from border communities and families requiring special support.As part of the initiative, schoolchildren from border communities in the Vardenis region, children of fallen servicemen, children from displaced families, and children from low-income households received New Year gifts and holiday support. In addition, the Bank donated computers to local schools, helping to expand access to educational resources and strengthen learning opportunities.

# INDEPENDENT AUDITOR'S REPORT

To the shareholders of “ARMSWISSBANK” CLOSED JOINT STOCK COMPANY

## OPINION

We have audited the financial statements of “ARMSWISSBANK” CLOSED JOINT STOCK COMPANY (the “Bank”), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other 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 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”).

## 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' **International Code of Ethics for Professional Accountants (including International Independence Standards)** (the “IESBA Code”), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in the Republic of Armenia. 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.

## ALLOWANCE FOR EXPECTED CREDIT LOSS

See Note 4.6 of the financial statements for a description of the accounting policies and to Note 35.1 for an analysis of credit risk.

Expected credit loss allowance was considered as a key audit matter due to significance of loans to customers as well as the subjectivity of assumptions underlying the impairment assessment. Applying different judgments and assumptions can lead to significantly different results of the expected credit loss allowance, which may have a material effect on the Bank's financial results.

Key areas of judgment included  the interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Bank's expected credit loss model, the identification of exposures with a significant deterioration in credit quality, assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward looking macroeconomic factors and the need to apply additional overlays to reflect current or future external factors that are not appropriately captured by the expected credit loss model.

With respect to impairment methodology, our audit procedures comprised the following:

- We read the Bank's IFRS 9 based impairment provisioning policy and compared it with the requirements of IFRS 9.
- We assessed the design and tested the operating effectiveness of relevant controls over the data used to determine the impairment reserve, including transactional data captured at loan origination, ongoing internal credit quality assessments, storage of data and interfaces to the

expected credit loss model.

- We assessed the design and tested the operating effectiveness of relevant controls over the expected credit loss model, including model build and approval, ongoing monitoring/validation, model governance and mathematical accuracy.
- We checked the appropriateness of the Bank's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages.
- For a sample of risk exposures, we checked the appropriateness of the Bank's staging.
- We assessed and tested the material modeling assumptions as well as overlays with a focus on the key modeling assumptions adopted by the Bank and sensitivity of the provisions to changes in modeling assumptions.
- For forward looking assumptions used by the Bank's management in its expected credit loss calculations, we held discussions with management and corroborated the assumptions using publicly available information.
- We examined a sample of risk exposures and performed procedures to evaluate the timely identification of exposures with a significant deterioration in credit quality and expected loss calculation for exposures assessed on an individual basis.
- We checked the completeness of loans and advances, off-balance sheet items, investment securities, placements and other financial assets included in calculation of allowances for expected credit loss as at 31 December 2025. We understood the theoretical soundness and tested the mathematical integrity of the models applied.
- For data from external sources, we understood the process of choosing such data, its relevance for the Bank, and the controls and governance over such data;
- We involved our IT specialists in areas that required specific expertise (i.e. data reliability and the expected credit loss model).
- We assessed the accuracy of the disclosures in the financial statements.

## OTHER MATTER

The financial statements of the Bank as of and for the year ended 31 December 2024 were audited by other auditors, whose report dated 30 April 2025 expressed an unmodified opinion on those statements.

## OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report of the Bank for the year ended 31 December 2025, but does not include the financial statements and our auditor's report thereon. The 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 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 as issued by the IASB, 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.

Those charged with governance are 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 those charged with governance 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 those charged with governance 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 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 engagement manager on the audit resulting in this independent auditor's report is Lilit Baghdasaryan.

**Armen Hovhannisyan**
Chief Executive Officer of ''Grant Thornton'' CJSC

**Lilit Baghdasaryan**
Engagement Manager

30 April 2026

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| In thousand AMD | 2025 | 2024 |
|---|---|---|
| Interest income calculated using effective interest rate | 43,046,061 | 41,439,737 |
| Other interest income | 1,987,095 | 1,297,077 |
| Interest expense | (27,699,642) | (28,140,511) |
| **Net interest income** | **17,333,514** | **14,596,303** |
| | | |
| Fee and commission income | 2,111,321 | 1,551,040 |
| Fee and commission expense | (483,312) | (335,655) |
| **Net fee and commission income** | **1,628,009** | **1,215,385** |
| | | |
| Net trading income | 1,878,494 | 1,772,459 |
| Credit loss expense | (7,835,913) | (2,098,897) |
| Net gains on derecognition of financial assets measured at amortised cost | 86,010 | - |
| Net gains on derecognition of financial assets measured at fair value through other comprehensive income | 1,001,530 | 183,141 |
| Foreign currency translation net loss | (398,079) | (224,750) |
| Other operating income | 977,668 | 591,937 |
| Personnel expenses | (2,463,832) | (2,971,807) |
| Depreciation of property and equipment and amortization of intangible assets | (257,979) | (268,523) |
| Other expenses | (975,536) | (740,078) |
| **Profit before income tax** | **10,973,886** | **12,055,170** |
| Income tax expense | (1,854,023) | (2,240,300) |
| **Profit for the year** | **9,119,863** | **9,814,870** |

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

| In thousand AMD | 2025թ. | 2024թ. |
|---|---|---|
| **Other comprehensive income:** | | |
| **Items that will not be reclassified subsequently to profit or loss** | | |
| Revaluation gains on equity instruments at fair value through other comprehensive income | 59,048 | 52,219 |
| Income tax relating to items not reclassified | (10,629) | (9,399) |
| **Total items that will not be reclassified subsequently to profit or loss** | **48,419** | **42,820** |
| | | |
| **Items that are or may be reclassified subsequently to profit or loss** | | |
| Net unearned gain from fair value changes | 7,451,198 | 7,541,169 |
| Changes in allowance for expected credit losses | (47,784) | 28,057 |
| Income tax relating to items that will be reclassified | (1,332,615) | (1,362,461) |
| **Total items that are or may be reclassified subsequently to profit or loss** | **6,070,799** | **6,206,765** |
| **Other comprehensive income for the year, net of tax** | **6,119,218** | **6,249,585** |
| | | |
| **Total comprehensive income for the year** | **15,239,081** | **16,064,455** |

## STATEMENT OF FINANCIAL POSITION

| In thousand AMD | 31 դեկտեմբերի 2025թ. | 31 դեկտեմբերի 2024թ. |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | 31,990,579 | 27,139,747 |
| Derivative financial assets | 6,983 | 35,781 |
| Amounts due from financial institutions | 16,152,027 | 13,962,886 |
| Loans and advances to customers | 220,401,268 | 204,925,841 |
| Investment securities | 127,177,598 | 116,048,596 |
| Securities pledged under sale and repurchase agreements | 63,448,293 | 90,151,363 |
| Property and equipment | 1,767,883 | 1,925,452 |
| Intangible assets | 137,342 | 117,082 |
| Repossessed assets | 2,097,198 | 1,750,995 |
| Deferred income tax assets | - | 643,713 |
| Other assets | 10,030,950 | 11,322,484 |
| **Total assets** | **473,210,121** | **468,023,940** |
| | | |
| **Liabilities and equity** | | |
| **Liabilities** | | |
| Amounts due to banks | 62,786,808 | 84,664,361 |
| Derivative financial liabilities | 138,925 | 80,370 |
| Amounts due to customers | 181,820,486 | 173,610,357 |
| Debt securities issued | 65,290,747 | 69,773,790 |
| Other borrowed funds | 37,979,773 | 29,629,001 |
| Subordinated debts | 30,145,959 | 30,148,534 |
| Current income tax liabilities | 346,512 | 1,098,856 |
| Deferred income tax liabilities | 305,897 | - |
| Other liabilities | 4,036,058 | 3,898,796 |
| **Total liabilities** | **382,851,165** | **392,904,065** |

## STATEMENT OF FINANCIAL POSITION (CONTINUED)

| In thousand AMD | 31 December 2025 | 31 December 2024 |
|---|---|---|
| **Equity** | | |
| Share capital | 10,000,200 | 10,000,200 |
| Share premium | 6,205,548 | 6,205,548 |
| Statutory general reserve | 45,000,000 | 40,000,000 |
| Revaluation reserve for investment securities | 1,954,374 | (4,164,844) |
| Revaluation reserve of property and equipment | 1,558,768 | 1,558,768 |
| Retained earnings | 25,640,066 | 21,520,203 |
| **Total equity** | **90,358,956** | **75,119,875** |
| | | |
| **Total liabilities and equity** | **473,210,121** | **468,023,940** |

## STATEMENT OF CHANGES IN EQUITY

| In thousand AMD | Share capital | Share premium | Statutory general reserve | Revaluation reserve for investment securities | Revaluation reserve of property and equipment | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2025** | **10,000,200** | **6,205,548** | **40,000,000** | **(4,164,844)** | **1,558,768** | **21,520,203** | **75,119,875** |
| Profit for the year | - | - | - | - | - | 9,119,863 | 9,119,863 |
| Other comprehensive income: | | | | | | | |
| Net change in fair value | - | - | - | 8,581,563 | - | - | 8,581,563 |
| Net amount reclassified to profit on sale | - | - | - | (1,071,317) | - | - | (1,071,317) |
| Net changes in allowance for expected credit losses | - | - | - | (47,784) | - | - | (47,784) |
| Income tax relating to components of other comprehensive income | - | - | - | (1,343,244) | - | - | (1,343,244) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **6,119,218** | **-** | **9,119,863** | **15,239,081** |
| Distribution to reserve | - | - | 5,000,000 | - | - | (5,000,000) | - |
| **Total transactions with owners** | **-** | **-** | **5,000,000** | **-** | **-** | **(5,000,000)** | **-** |
| | | | | | | | |
| **Balance at 31 December 2025** | **10,000,200** | **6,205,548** | **45,000,000** | **1,954,374** | **1,558,768** | **25,640,066** | **90,358,956** |
| **Balance at 1 January 2024** | **10,000,200** | **6,205,548** | **40,000,000** | **(10,414,429)** | **1,558,768** | **11,705,333** | **59,055,420** |
| Profit for the year | - | - | - | - | - | 9,814,870 | 9,814,870 |
| **Other comprehensive income:** | | | | | | | |
| Net change in fair value | - | - | - | 7,795,400 | - | - | 7,795,400 |
| Net amount reclassified to profit on sale | - | - | - | (202,012) | - | - | (202,012) |
| Net changes in allowance for expected credit losses | - | - | - | 28,057 | - | - | 28,057 |
| Income tax relating to components of other comprehensive income | - | - | - | (1,371,860) | - | - | (1,371,860) |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **6,249,585** | **-** | **9,814,870** | **16,064,455** |
| | | | | | | | |
| **Balance at 31 December 2024** | **10,000,200** | **6,205,548** | **40,000,000** | **(4,164,844)** | **1,558,768** | **21,520,203** | **75,119,875** |

## STATEMENT OF CASH FLOWS

| In thousand AMD | 2025թ. | 2024թ. |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 10,973,886 | 12,055,170 |
| **Adjustments for** | | |
| Impairment charge of financial assets | 7,835,913 | 2,098,897 |
| Amortization and depreciation allowances | 257,979 | 268,523 |
| Interest receivable | (485,032) | (218,030) |
| Interest payable | 54,136 | (2,770) |
| Gain from disposal of property and equipment | (688) | (1,299) |
| Foreign currency translation loss | 398,079 | 224,750 |
| Net gain from revaluation of precious metals | (69,561) | (21,386) |
| Net loss from change in fair value of derivative instruments | 87,353 | 24,296 |
| **Cash flows from operating activities before changes in operating assets and liabilities** | **19,052,065** | **14,428,151** |
| | | |
| **(Increase) decrease in operating assets** | | |
| Amounts due from financial institutions | (2,600,230) | (1,528,013) |
| Loans and advances to customers | (23,504,470) | (37,174,261) |
| Repossessed assets | (1,029) | (878,810) |
| Other assets | 1,426,744 | (5,055,018) |
| | | |
| **Increase (decrease) in operating liabilities** | | |
| Amounts due to banks | (22,387,246) | (6,810,542) |
| Amounts due to customers | 8,559,980 | 14,945,886 |
| Other liabilities | (205,748) | 2,041,905 |
| **Net cash flow used in operating activities before income tax** | **(19,659,934)** | **(20,030,702)** |
| Income tax paid | (3,000,001) | (1,286,614) |
| **Net cash used in operating activities** | **(22,659,935)** | **(21,317,316)** |

## STATEMENT OF CASH FLOWS (CONTINUED)

| In thousand AMD | 2025թ. | 2024թ. |
|---|---|---|
| **Cash flows from investing activities** | | |
| Purchase of property and equipment | (24,401) | (102,184) |
| Proceeds from sale of property and equipment | 688 | 1,261 |
| Purchase of investment securities | (13,576,642) | (15,775,129) |
| Proceeds from sale of investment securities | 36,742,375 | 27,405,562 |
| Purchase of intangible assets | (62,895) | (41,504) |
| **Net cash from investing activities** | **23,079,125** | **11,488,006** |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from other borrowed funds | 19,703,485 | 12,539,792 |
| Repayment of other borrowed funds | (12,010,185) | (11,365,500) |
| Proceeds from debt securities issued | 26,552,190 | 23,130,656 |
| Redemption of debt securities issued | (30,871,988) | (7,578,808) |
| Proceeds from subordinated debt | - | 3,702,238 |
| Ստորադաս փոխառության մարում | - | (5,642,307) |
| Repayment of lease liabilities | (108,291) | (105,600) |
| **Net cash from financing activities** | **3,265,211** | **14,680,471** |
| **Net increase in cash and cash equivalents** | **3,684,401** | **4,851,161** |
| | | |
| Cash and cash equivalents at the beginning of the year | 27,139,747 | 23,499,645 |
| Effect of changes in impairment allowance on cash and cash equivalents | 22,098 | (25,133) |
| Exchange differences on cash and cash equivalents | 1,144,333 | (1,185,926) |
| **Cash and cash equivalents at the end of the year (Note 13)** | **31,990,579** | **27,139,747** |
| | | |
| **Supplementary information:** | | |
| Interest received | 44,548,124 | 42,518,784 |
| Interest paid | (27,645,506) | (28,143,281) |

Please see full version of Financial Statement in the Bank's official web-site:
**https://www.armswissbank.am/upload/audit_report_2025.pdf**

# ՕԳՏԱԿԱՐ ՏԵՂԵԿԱՏՎՈՒԹՅՈՒՆ ԲԱՆԿԻ ՄԱՍԻՆ

# USEFUL INFORMATION ABOUT BANK

**Համագործակցություն**

**Cooperation**

Հայաստանի Բանկերի Միություն (ՀԲՄ)
Union of Banks of Armenia (UBA)
www.uba.am

Արմենիան քարդ (ԱՐՔԱ)
Armenian Card (Arca)
www.arca.am

Հայաստանի Ֆոնդային Բորսա
Armenia Stock Exchange (AMX)
www.amx.am

Մաստերքարտ
Mastercard
www.mastercard.am

ԱՔՌԱ Վարկային Բյուրո (ԱՔՌԱ)
Armenia Credit Reporting Agancy (ACRA)
www.acra.am

Visa
www.usa.visa.com

Համաշխարհային միջբանկային ֆինանսական հեռահաղորդակցման ընկերություն
Society for Worldwide Interbank Financial Telecommunications (SWIFT)
www.swift.com

Առաջատար Ֆակտորինգային Կազմակերպությունների Միջազգային Ցանց
Factors Chain International (FCI)
www.fci.nl/en

Ամերիկայի Առևտրի Պալատը Հայաստանում
American Chamber of Commerce in Armenia (AMCHAM)
www.amcham.am

Եվրոպական Բիզնես Ասոցիացիա
European Business Association (EBA)
www.eba.am

«Գերմանահայկական հիմնադրամ» ծրագրի կառավարման գրասենյակ պետական հիմնարկ (ԳՀՀԾԿԳ)
Project Management Unit of German-Armenian Fund State Institution (PMU GAF)
www.gaf.am

Վերակառուցման և Զարգացման Եվրոպական Բանկ (ՎԶԵԲ)
European Bank for Reconstruction and Development (EBRD)
www.ebrd.com

Ասիական Զարգացման Բանկ (ԱԶԲ)
Asian Development Bank (ADB)
www.adb.org

Եվրասիական Զարգացման Բանկ (ԵԱԶԲ)
Eurasian Development Bank (EDB)
www.eabr.org

Եվրոպական Ներդրումային Բանկ (ԵՆԲ)
European Investment Bank (EIB)
www.eib.org

Եվրոպական Ներդրումային Ֆոնդ
European Investment Fund (EIF)
www.eif.org

Տնտեսական Համագործակցության Միջազգային Բանկ (ՏՀՄԲ)
International Bank for Economic Cooperation (IBEC)
www.ibec.int

KfW Զարգացման Բանկ –
միջնորդավորված (ԳՅՅԾԿԳ) հիմնարկի
KfW Development Bank- through (PMU GAF)
www.gaf.am

Կանաչ Կլիմայի Հիմնադրամ
Green Climate Fund (GCF)
www.greenclimate.fund

PCAF
Partnership for Carbon Accounting
Financials
www.carbonaccountingfinancials.com

UNEP FI
https://www.unepfi.org/

Greenly
https://greenly.earth/en-gb

BACEE
Կենտրոնական և Արևելյան Եվրոպայի
Բանկերի Ասոցիացիա (BACEE)
Banking Association for Central and Eastern
Europe(BACEE)
www.baceeconference.com

Հայաստանի Վերականգնվող Էներ-
գետիկայի և Էներգախնայողության
Հիմնադրամ (ՀՎԷԷՀ)
Armenia Renewable Resources and Energy
Efficiency Fund (R2E2)
www.r2e2.am

Բնակարան երիտասարդներին ՎՎԿ ՓԲԸ
Home for Youth RCO CJSC
www.hfy.am

Ազգային Հիփոթեքային Ընկերություն
ՎՎԿ ՓԲԸ
National Mortgage Company RCO CJSC
(NMC)
www.nmc.am

Հայաստանի Արտահանման Ապահո-
վագրական Գործակալություն (ՀԱԱԳ)
Export Insurance Agency of Armenia (EIAA)
www.eia.am

«ՖԻՆԱՐՄ» Ֆինանսական Շուկայի
Մասնակիցների Ասոցիացիա
“FINARM” Financial Market Members
Association
www.finarm.am

# GENERAL INFORMATION

**Full Name:** ARMSWISSBANK CJSC
**Licenses:** Banking License N84 granted by the Central Bank of Armenia on February 25, 2005

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**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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**Service hours:**
9:30-16:30

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

ԱՐՄՍՎԻՍԲԱՆԿ ARMSWISSBANK