



**CORPORATE
GOVERNANCE**
REPORT 2025



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CHAIRPERSON'S MESSAGE TO THE 2026 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

As we convene for the 2026 Annual General Meeting, I am honored to address you for the first time as Chairperson of the Board and to present the Board Report reflecting the progress achieved over the past year.

2025 marked a defining stage in ACBA Bank's governance journey. Building on the strong foundations established in previous years, the Bank advanced from design to implementation - further integrating governance practices across the organization and enhancing the effectiveness of Board oversight.

During the year, we achieved a high level of alignment with the Armenian Corporate Governance Code, while continuing to integrate international best practices into our governance framework. The publication of our first comprehensive Corporate Governance Report and Statement represents an important milestone in enhancing transparency, accountability, and stakeholder confidence.

A key priority for the Board in 2025 was to reinforce its strategic role. The Strategy Committee, established in late 2024, became fully operational, enabling more structured engagement with Management on long-term priorities, including capital structure, ESG integration, and digital transformation. This has contributed to a more forward-looking and disciplined approach to strategy development and oversight.

At the same time, we strengthened the Bank's governance and control environment. The adoption of key frameworks - including the Code of Ethics, Code of Conduct, Conflict of Interest Policy, and Whistleblowing Policy - has reinforced a strong

**"GOVERNANCE IN ACTION.
STRATEGY IN FOCUS".**

culture of integrity and accountability. Enhancements in risk management, compliance, and internal control systems further support the Bank's resilience in an evolving operating environment.

Another important development was the advancement of Group-wide governance. By aligning governance structures, policies, and reporting practices across the Bank and its subsidiaries, we have created a more integrated framework that supports consistent oversight and effective decision-making at the Group level.

The Board also took meaningful steps to enhance its own effectiveness. In 2025, we conducted our first independent Board evaluation, providing valuable insights into our performance and identifying clear priorities for further improvement. This process marked an important step toward strengthening accountability, Board dynamics, and the quality of decision-making.

Looking ahead, our focus in 2026 will be on deepening the effectiveness of the Board and its Committees, strengthening alignment with Management, and further embedding a culture of constructive challenge and strategic clarity. We will continue to prioritize, risk governance, and long-term value creation, while maintaining strong engagement with our stakeholders.

The Annual General Meeting remains a cornerstone of our governance framework. I encourage all shareholders to actively participate, as your engagement plays a vital role in shaping the direction and accountability of our institution.

I would like to express my sincere gratitude to our shareholders for their continued trust, to our clients for their confidence, and to our employees and executive management for their dedication and professionalism. I also extend my appreciation to my fellow Board members for their commitment and collaboration.

I would like to take this opportunity to acknowledge the significant contribution of Mr. Rafayel Sargsyan, whose tenure as Chairman contributed significantly to strengthening the Bank's governance framework and strategic direction. His efforts have laid a strong foundation upon which we will continue to build.

On behalf of the Board, I thank you for your continued confidence and support. It is your trust that enables us to lead with integrity, foresight, and purpose - and to continue building a strong, responsible, and future-ready institution.

**Warm regards,
Sona Ishkhanyan
Chairperson of the Board
Acba bank OJSC**

CHIEF EXECUTIVE OFFICER'S STATEMENT



“2025 MARKED AN IMPORTANT YEAR OF PROGRESS FOR ACBA BANK, STRENGTHENING OUR POSITION AND REINFORCING THE FOUNDATIONS FOR THE NEXT PHASE OF GROWTH”

Dear Shareholders,

The year 2025 was an important one for Acba Bank. In a continuously evolving and competitive environment, we remained focused on the priorities that are essential to the Bank's long-term development: sustainable growth, tangible results, sound governance and the creation of long-term value for our shareholders and stakeholders.

Building on the strong foundations established in previous years, we continued to execute our strategy while further strengthening the Bank's resilience. And in 2026, as Acba marks its 30th anniversary, we approach this important milestone with a clear understanding of the path we have traveled and a confident view of the opportunities ahead.

Acba's Position and Progress

In 2025, Acba continued to strengthen its position among Armenia's leading financial institutions. The Bank maintained its place among the country's top three banks by assets, capital, loans and deposits. This reflects both our scale and our important role in Armenia's economy.

Our universal banking model continues to perform effectively, ensuring a diversified presence across Retail, Agricultural, SME and Corporate business lines. This development has also been supported by Acba Leasing, wholly owned by Acba Bank, and by our 49% stake in Amundi-Acba Asset Management.

We have continued to maintain a strong presence in communities through our 66 branches, most of which are located in the regions. At the same time, we have continued to develop our digital and self-service channels, delivering a more accessible and convenient banking experience for our customers. In 2025, customer trust remained one of our most important strengths. By year-end, ACBA's active customer base had reached approximately 690,000. Independent research also reaffirmed the high level of customer satisfaction and trust in our services.

During the year, Acba also attained the Gold Level Client Protection Certification, one of the highest recognitions in the industry, reflecting our commitment to transparency, care and high-quality service.

These are not merely figures and external assessments. They showcase the strength of our customer franchise and the trusted relationships on which Acba's long-term vision is built.

Financial Strength and Stability

In 2025, the Bank's progress was also reflected in its financial and operating results. We entered a new strategic phase with a strong capital base, high profitability and a solid balance sheet.

The cost-to-income ratio improved to 42.2%, while return on equity reached 20.2%. These results reflect business growth, disciplined cost management and a balanced financial policy.

But these indicators are valuable not only because of their level. They also show that Acba is able to grow while preserving stability and resilience.

Entering a New Strategic Phase

The year 2025 was also important in defining the next stage of the Bank's development. During the year, we clarified the priorities that have become the foundation of our 2026–2028 strategy: profitable and sustainable growth, deeper customer engagement, continued digitalization, improved efficiency and the strengthening of our sustainability agenda. Our goal is clear: to remain one of the leaders in Armenia's financial market not only in terms of scale, but also in terms of quality, efficiency and relevance.

In this context, Acba's 30th anniversary carries particular significance. It is not only an important milestone in

the Bank's history, but also a reminder that Acba's development has always been built on continuity: continuity of values, continuity of mission and continuity of responsibility toward society.

Founded with the idea of contributing to the development of Armenia's economy, the Bank has today become one of the country's leading financial institutions, while preserving its core principles: customer centricity, transparency, innovation and social responsibility.

For us, therefore, Acba's 30th anniversary is not only a recognition of the path we have already traveled, but also an opportunity to look to the future with confidence.

Looking ahead

Looking ahead, we enter 2026 from a position of greater maturity, stronger institutional confidence and a clear agenda. Our 2026–2028 strategy calls for profitable and sustainable growth across all business lines. At the same time, we remain firmly committed to maintaining strong capital and liquidity buffers and to balancing shareholder returns with the need to support future growth.

I would like to thank our shareholders for your continued trust and support. I also extend my gratitude to our customers, our Board, our partners and all ACBA employees for their contribution to the Bank's progress. Acba's achievements have been built collectively and we remain committed to moving forward with discipline, responsibility and confidence.

Inspired by you,

Hakob Andreasyan
Chief Executive Officer
Acba bank OJSC



1 OUR GOVERNANCE PHILOSOPHY

Acba bank's approach to corporate governance is rooted in a long-standing commitment to strong institutional practices and responsible leadership. Since its establishment in 1996, the Bank has continuously worked to build a governance framework that supports sustainable development, sound decision-making, and long-term value creation. Today, this commitment is reflected in our emphasis on transparency, accountability, integrity, and the trust of all our stakeholders.

We regard corporate governance as a fundamental driver of the Bank's effectiveness and resilience. It is not merely a matter of compliance, but a core element of how the Bank is directed and controlled. A well-functioning governance framework enables balanced decision-making, supports sustainable growth, and ensures that the Bank operates in the best interests of the organization and its stakeholders.

Our governance philosophy recognizes that differing perspectives and interests may arise within any organization. Effective governance provides the structures and processes needed to navigate these dynamics constructively. It promotes clarity in roles and responsibilities, strengthens oversight, encourages ethical behavior, and

ensures that decisions are made with a long-term view.

We also believe that strong governance leads to tangible benefits. It enhances credibility, improves access to capital, supports prudent risk management, and contributes to consistent and sustainable performance. In an increasingly transparent and interconnected environment, maintaining high standards of governance is essential for building confidence and sustaining long-term relationships with stakeholders.

At Acba bank, the Board plays a central role in this framework, guiding the Bank's strategic direction, overseeing management, and ensuring accountability across all levels of the organization. The Board's role extends beyond formal oversight—it is instrumental in fostering a culture of integrity, sound judgment, and long-term thinking.

In this report we outline how Acba bank applies the principles of sound corporate governance, in alignment with the Armenian Corporate Governance Code and international best practices. It also presents the Board's key activities, priorities, and responsibilities during the reporting period, along with an assessment of the Bank's compliance with the Code.

2 GOVERNANCE ENHANCEMENT JOURNEY: 2021-2025

Since 2021, Acba bank has undertaken a structured and multi-phase reform program to modernize its corporate governance framework. Driven by a commitment to align with international best practices and build institutional resilience, the Bank's governance evolution reflects consistent progress in Board structure, risk oversight, control systems, and stakeholder engagement.

2021 – Commitment to Governance Reform

- ▶ Launched Armenia's largest IPO, attracting over 5,200 investors and raising AMD 7.5 billion
- ▶ Listed on AMX
- ▶ Board committed to a multi-year governance enhancement program

2022 – Foundation Setting and Structural Reform

- ▶ Elected a new Chairperson to lead governance reforms
- ▶ Adopted a Corporate Governance Code aligned with OECD, Basel, and UK standards
- ▶ Published the Bank's first AGM brochure to enhance shareholder communication
- ▶ Revised Board composition using a Skill Matrix, expanding independent directors from 1 to 3
- ▶ Established Audit, Risk Management, and GNR Committees, each chaired by an independent member
- ▶ Approved Board member nomination, onboarding, and evaluation procedures
- ▶ Launched a structured orientation program for Board members
- ▶ Audit Committee began overseeing external audit engagement and initiated review of the Bank's Three Lines Model

2023 – Deepening Processes and Enhancing Control

- ▶ Adopted the Internal Legal Acts Management Policy
- ▶ Adopted training principles for Board members
- ▶ Reformed the Remuneration Policy and developed a KPI-based Top Management Remuneration Scheme
- ▶ Advanced modernization of Internal Audit and ICFR processes
- ▶ Enhanced cooperation with external auditors and implemented improvements recommended in prior audits.
- ▶ Approved methodologies for ICAAP and Financial Risk Appetite
- ▶ GNR Committee structured a new Succession Policy

2024 – Maturity and Expansion

- Finalized and launched Group Governance Policy across the Bank and subsidiaries
- Enhanced Board and executive remuneration frameworks
- Strengthened Top Management performance evaluation system
- Further developed the Succession Planning framework
- In 2024, the Board welcomed two newly elected members – one a female non-independent director, contributing to improved gender balance, and the other an independent director, increasing the number of independent members from three to four. Finalized the Board Self-Assessment Policy for 2025 implementation
- Strengthened oversight of ICFR, internal audit, and internal control modernization
- Formed the Strategy Committee to guide long-term planning, ESG, capital structure, technology investment, and strategic positioning across key client segments, including Retail, SME, Corporate, and Agri.

2025 - Advancing Governance Excellence: Strengthening Integration and Effectiveness

- Implemented a revised organizational structure, ensuring clear separation of business lines and reinforcing the independence of control functions
- Commenced active operation of the Strategy Committee, enhancing Board-level strategic oversight
- Published the first Corporate Governance Report and Declaration in accordance with the RA Corporate Governance Code
- Adopted a new Charter and updated Board Rules and Regulations, further clarifying roles, responsibilities, and the allocation of powers. Assigned the authority for determining Board remuneration to the General Meeting of Shareholders.

- Strengthened Board composition and diversity through the election of an independent female member, subsequently appointed as Chair of the Audit Committee
- Further advanced and embedded the Group Governance framework, aligning Board composition across Acba bank and Acba Leasing
- Enhanced Board reporting and Group-wide reporting practices, improving consistency and transparency
- Introduced ESG, diversity, and communication policies, supporting a more comprehensive governance framework
- Maintained a strong focus on succession planning and management performance overview,
- Reviewed and refined the budgeting process to support more effective planning and oversight
- Approved key governance frameworks, including the Conflict of Interest Policy, Code of Ethics, and Code of Conduct, supported by targeted staff trainings
- Established a whistleblowing system and supporting policy to reinforce transparency and ethical conduct
- Advanced risk and operational risk management through the introduction of enhanced frameworks
- Conducted the first independent Board self-assessment, strengthening effectiveness and accountability
- Marked one year of partnership with Proparco as a shareholder

GOVERNANCE FRAMEWORK AND BOARD RESPONSIBILITIES

Effective governance requires more than structure — it depends on clarity of roles, delegation, accountability, and continuous development. This section outlines the composition, structure, and responsibilities of the Board, and explains how the Bank's governance framework supports strategic oversight, ethical conduct, and long-term value creation.

3.1. GOVERNANCE STRUCTURE

Acba bank operates under a two-tier governance system consistent with Armenian and international corporate governance standards. This structure ensures a clear separation of ownership, oversight, and executive functions, reinforcing transparency, accountability, and the effective management of the Bank's operations. The reporting lines among governance bodies, key control functions, and business units are illustrated in the Organizational Structure Chart provided in Annex 1.

GOVERNING BODIES OF THE BANK

In accordance with the Republic of Armenia's Law on Banks and Banking, Law on Joint Stock Companies, and the Bank's Charter, the governance bodies of the Bank are as follows:

1. The General Meeting of Shareholders – the supreme governing body, responsible for key strategic and structural decisions, including approval of the annual financial statements, dividend policy, appointment of Board members, and amendments to the Charter.

2. The Board of the Bank – responsible for the strategic oversight and general governance of the Bank's activities, within the powers defined by law and the Charter. In certain cases, the General Meeting may delegate decision-making authority to the Board, as permitted by legislation.

3. The Chief Executive Officer (CEO) – the sole executive body of the Bank, responsible for day-to-day oper-

ations and implementation of the strategy approved by the Board. Matters not expressly assigned to the General Meeting, the Board, or Internal Audit fall under the CEO's authority. The CEO's decision-making powers may not be delegated unless temporarily replaced under proper procedures.

BOARD INDEPENDENCE AND OVERSIGHT

Acba bank maintains a strict separation between the executive and oversight functions. All members of the Board are non-executive and operate independently of the executive body. This structure ensures that the Board can provide objective oversight and strategic guidance without conflict of interest.

The Board assumes full responsibility for:

- ▶ Setting the Bank's strategic direction
- ▶ Supervising the CEO and executive management
- ▶ Overseeing financial and non-financial reporting
- ▶ Strengthening the internal control and risk management systems

GOVERNANCE STRUCTURE SUMMARY

This clear allocation of authority among shareholders, the Board, and executive management allows Acba bank to operate with transparency, efficiency, and accountability. The governance structure provides a foundation for sustainable value creation and robust risk oversight.

3.2. ROLE OF THE BOARD

The Board of Acba bank is the central governing body responsible for the overall direction, control, and oversight of the Bank's activities. Operating in accordance with Armenian law, the Bank's Charter, and recognized international and national corporate governance standards, the Board ensures that the Bank is managed in a sound, transparent, and accountable manner.

The Board is composed of non-executive members, including independent directors, and is chaired by a Chairperson elected by a majority of the Board members. Board members are appointed through a combination of shareholder representation and election processes, with specific mechanisms for major and minority shareholders to nominate or elect candidates in accordance with Armenian law.

The Board is responsible for the strategic leadership of the Bank and the supervision of its executive management. Its core responsibilities include:

- ▶ Approving the Bank's strategy, annual business plans, and budgets, and overseeing their execution to ensure long-term sustainability and performance.
- ▶ Appointing and dismissing the Chief Executive Officer and other key executives, overseeing succession planning, and monitoring executive performance and compensation.
- ▶ Reviewing and preliminarily approving financial statements, overseeing external audit arrangements, and recommending dividend distributions to the General Meeting.
- ▶ Defining the governance framework for the Bank and its subsidiaries, approving group-level policies, and ensuring appropriate oversight mechanisms are in place across the group.
- ▶ Approving the Bank's risk strategy, risk appetite framework, and major risk limits; overseeing the internal control system and control functions (including risk management, compliance, and internal audit); and evaluating the effectiveness of these systems.
- ▶ Ensuring compliance with applicable laws, regulations, and the Armenian Corporate Governance Code; promoting ethical standards and corporate values across the Bank.
- ▶ Approving major financial transactions, capital increases, issuance of securities, investments, and significant contractual engagements, particularly those involving related parties or potential conflicts of interest.
- ▶ Establishing internal audit regulations, approving annual audit plans, and appointing or terminating heads of internal audit, risk, and compliance functions.
- ▶ Defining confidential information policies, ensuring proper disclosures, and safeguarding the interests of depositors, shareholders, and other stakeholders.

In performing its duties, the Board operates independently of the executive body, exercising objective judgment and oversight. It acts collectively in the best interest of the Bank and its stakeholders, while individual members carry fiduciary responsibilities to maintain integrity, confidentiality, and professionalism.

3.3. BOARD COMPOSITION

As of the end of 2025, the Board of Acba bank is composed of nine non-executive members, in full alignment with the Bank's two-tier governance structure, which ensures a clear separation between management and oversight. All Board members act independently of the Bank's executive body, and three members are classified as independent in accordance with applicable criteria.

APPOINTMENT AND NOMINATION

In 2025 the composition of the Board reflected both shareholder representation and independence:

- ▶ The Chairperson, who served in 2025, was re-elected by the Board in 2025 from among its members, in accordance with the Bank's Charter. Prior to this, he had been appointed to the Board by the Bank's major shareholder, ACBA Federation. ACBA Federation also nominated four additional members, all of whom were re-elected by the General Meeting in 2025.
- ▶ Three Board members served as independent directors, nominated by the Board and elected by shareholders.
- ▶ The second-largest shareholder, Proparco, which holds 10% of the Bank's voting shares, has the legal right to appoint a Board member without election by the General Meeting.

All Board members were appointed or elected for fixed terms. The tenure of the members varies, with most currently serving terms ending in 2027 or 2028. In 2025, two Board members completed their terms. During the same period, the Bank welcomed its second female Board member, further enhancing gender diversity at the Board level.

The Bank applies a structured approach to the selection and nomination of Board member candidates, in line with the provisions set out in the Board Rules and Regulations and under the coordination of the Governance, Nomination and Remuneration Committee. This approach ensures a consistent and transparent process for identifying, evaluating, nominating, and onboarding Board members.

Overview of Board Composition as of December 31, 2025

Board member	Independence	Nominated by	Appointed/ Elected	New Term Start	Term End	Gender
RAFAYEL SARGSYAN	no	Acba Federation	Appointed	2025	2026	Male
SONA ISHKHANYAN	yes	Board	Elected	2025	2028	Female
ASHOT KARAPETYAN	yes	Board	Elected	2025	2028	Male
HARUTYUN PAKHCHANYAN	no	Acba Federation	Elected	2025	2028	Male
ARAM BABAYAN	no	Acba Federation	Elected	2025	2028	Male
VARDAN URUTYAN	no	Acba Federation	Elected	2025	2028	Male
BRUNO CHARRIER	no	Board	Elected	2025	2027	Male
BERNARD DE WIT	yes	Board	Elected	2024	2027	Male
GAYANE AYRAPETYAN	no	Acba Federation	Elected	2024	2027	Female

As of 31 December 2025, the Board was composed of 9 non-executive members, reflecting the Bank's two-tier governance structure. During the year, two transitions occurred following the Annual General Meeting in May 2025: Dr. Klaus Gressenbauer and Mr. Henrik Kochinyan concluded their terms and were succeeded by Mrs. Sona Ishkhanyan.

COLLECTIVE PROFILE AND DIVERSITY

Acba bank's Board is composed to ensure a broad and complementary mix of expertise across key areas, including banking, risk management, audit, law, compliance, and sector-specific knowledge. This diversity of professional backgrounds, combined with the presence of both shareholder-nominated and independent members, supports balanced deliberation and objective decision-making.

In 2025, the Board was further reinforced through the appointment of Ms. Sona Ishkhanyan as an independent member. With over 25 years of experience in internal audit, enterprise risk management, and financial services, she brings substantial international expertise. Ms. Ishkhanyan currently serves as Group Audit Regional Manager at ProCredit Holding and has held numerous roles as Chair and member of Audit Committees across ProCredit banks in multiple jurisdictions.

Her appointment has strengthened the Board's capabilities in audit oversight and internal controls. Following her election by the Annual General Meeting on 29 May 2025, she was subsequently appointed as Chair of the Audit Committee by decision of the Board. In April 2026 Ms. Ishkhanyan was elected as chairperson of the Board.

The Board also continued to enhance its overall composition, including further progress toward greater gender balance, reflecting an ongoing commitment to diversity and inclusion.

To ensure continued effectiveness, the composition of the Board is regularly assessed, allowing for alignment with the Bank's strategic direction and evolving governance requirements.

3.4. ASSESSMENT OF COMPLIANCE WITH INDEPENDENCE CRITERIA

The independence of Board members is a cornerstone of Acba bank's governance framework. In accordance with the Law and the Bank's Charter, a Board member may be deemed independent only if they meet a defined set of objective legal criteria.

LEGAL CRITERIA FOR INDEPENDENCE

A Board member qualifies as independent if they meet all of the following conditions:

- (a)** has not held a position with an executive body in the Bank, been employed by the Bank, or by any affiliated person of the Bank within the past three years;
- (b)** has not received any direct or indirect compensation from the Bank or its affiliated persons in the past three years, other than compensation received as a Board member;
- (c)** has not had, directly or indirectly, as a partner,

significant shareholder, Board member, or executive body representative, any material business relationship with the Bank or its affiliated persons during the past three years;

- (d)** has not been a shareholder or employee of the Bank's external auditor or any affiliated person of the external auditor within the past five years;
- (e)** has not served as a Board member of the Bank for more than six years within the past ten years;
- (f)** is not a significant shareholder of the Bank;
- (g)** has not exercised direct control over the Bank as a public official during the past year;

(h) is not an immediate family member of any person falling under the conditions listed in sub-points (a) through (g) of this Article.

These criteria are assessed during the nomination process and re-evaluated annually by the Governance, Nomination and Remuneration (GNR) Committee.

As of the end of 2025, the Bank had three independent directors, all of whom were formally assessed as compliant with the legal independence criteria.

CO-NOMINATION MECHANISM FOR INDEPENDENT MEMBERS

In 2024, a Shareholders' Agreement was concluded between the Bank's two major shareholders — ACBA Federation and Proparco. Under this agreement, independent Board members must be co-nominated and agreed upon by both shareholders, regardless of voting power. This provision ensures that no independent director can be elected without mutual consent, thereby strengthening the balance and independence of the Board, and promoting trust-based oversight across shareholder lines.

3.5. BOARD CONTINUOUS PROFESSIONAL DEVELOPMENT AND CAPABILITY BUILDING

In 2025, the Bank continued to support the continuous professional development of its Board members through targeted learning initiatives aligned with key governance and regulatory priorities.

The majority of Board members participated in dedicated training on anti-money laundering and counter-terrorist financing (AML/CFT), strengthening their understanding of regulatory expectations and the Bank's internal control environment in this area.

Board members attended a session on Supervisory Review and Evaluation Process (SREP) practices, enhancing their understanding of regulatory requirements related to capital adequacy, risk management, and supervisory engagement.

Ahead of the Board self-assessment, members participated in a Board evaluation training delivered by Better Boards, which also facilitated the assessment process through its independent platform, ensuring a structured and objective approach.

Selected Board members also took part in targeted sessions on remuneration structures, contributing to the ongoing development of the Bank's remuneration practices.

Toward the end of the year, Board members participated in a compliance training jointly delivered by the Bank's Compliance function and the International Compliance Association (ICA). The training covered key aspects of ethics and organizational culture, and introduced newly adopted frameworks, including the Compliance Policy, Code of Ethics, Code of Conduct, and the whistleblowing system.

The Governance, Nomination and Remuneration Committee continues to support the Board's ongoing development, ensuring that learning initiatives remain aligned with the Bank's strategic priorities and evolving regulatory environment.

3.6. SETTING THE BANK'S PURPOSE AND STRATEGY

The Board of Acba bank is responsible for defining the Bank's purpose, setting its strategic direction, and ensuring alignment between long-term objectives, stakeholder expectations, and the evolving operating environment. Through structured engagement with Management, the Board ensures that strategy is translated into clear priorities, actionable plans, and measurable outcomes.

PURPOSE AND VALUES

The Bank's mission is to contribute to the sustainable development of society through unique and innovative solutions. This mission is embedded in the Bank's strategy and is underpinned by core corporate values: Customer Care, Social Responsibility, Loyalty, Transparency, and Innovation. These values guide the Board's oversight and are reflected across the Bank's business operations and strategic planning.

STRATEGIC OVERSIGHT AND DEVELOPMENT

In 2025, the Board approved the Bank's 2025–2027 Strategic Development Plan, setting the foundation for sustainable growth, financial resilience, and responsible innovation. In 2025–2026, the focus shifted toward further refining the strategic directions and strengthening alignment between the Board and Management.

To support this process, the Strategy Committee—established in late 2024—became fully operational and worked closely with Management throughout the year. The Committee focused on a set of key strategic priorities, including the evolution of client segment strategies (Retail, SME, Corporate, and Agro), optimization of the Bank's capital structure and shareholder base, enhancement of financial planning and resource allocation, advancement of ESG integration, and oversight of key technology and digital transformation initiatives.

This structured approach enabled the development of a more integrated and forward-looking strategic perspective. As a result of this work, an updated strategy document was presented to the Board in 2026. While acknowledging the progress achieved, the Board noted the need for continued alignment with Management, particularly in relation to key assumptions and the Bank's long-term positioning.

The Board retains overall responsibility for the strategic planning cycle, including the approval of annual budgets, business plans, capital investments, and major initiatives. Oversight is exercised both directly and through its committees, ensuring a coordinated and disciplined approach to strategy execution.

3.7. ALIGNMENT WITH STAKEHOLDER EXPECTATIONS AND LONG-TERM VALUE

The Board of Acba bank is committed to creating sustainable, long-term value by aligning its decisions with the interests of key stakeholders, including customers, shareholders, employees, regulators, clients, society and others. The Bank's governance model ensures that its strategy is forward-looking, risk-conscious, and grounded in stakeholder trust.

STAKEHOLDER-ORIENTED GOVERNANCE

The Board maintains structured and consistent engagement with all key stakeholder groups, ensuring that their perspectives are appropriately considered in the Bank's governance and decision-making processes.

➤ **SHAREHOLDERS:**

The Board ensures transparent, timely, and consistent communication with shareholders. Representatives of the ACBA Federation periodically participate in the Federation's Board meetings, supporting alignment with the Bank's controlling shareholder.

Proparco, as a significant shareholder with the right to directly appoint a Board member, is kept duly informed of the matters discussed and decisions taken by the Bank's Board.

Engagement with minority shareholders is facilitated through

- direct interaction during the Annual General Meeting,
- pre-AGM Q&A processes with responses published on the Bank's website,
- the Chairperson's availability for individual meetings, and participation in informal shareholder discussions addressing performance, outlook, and governance matters.

The Board continues to prioritize the further development of structured shareholder communication frameworks.

➤ **EMPLOYEES:**

The Board promotes direct engagement with employees, independent of executive management, through site visits, virtual meetings, and dedicated forums. In 2025, a facilitation training was organized for Board members and middle management, without the participation of executive management, aimed at strengthening open communication, enhancing mutual understanding, and supporting strategic alignment across organizational levels.

➤ **REGULATOR:**

The Board maintains an open, transparent, and constructive relationship with the Central Bank of Armenia and remains readily accessible for dialogue. Since 2025, the Board has been actively engaged in the Supervisory Review and Evaluation Process (SREP) oversight, including the systematic review and discussion of communications and assessment results received from the regulator.

➤ **CLIENTS:**

The Board exercises oversight over customer-related matters through regular reporting mechanisms. The complaints management framework has been previously reviewed at Board Audit Committee level. Going forward, customer complaints will be reported to the Board through quarterly compliance reports, ensuring continuous oversight. In addition, the Board and its Risk Management Committee maintain a strategic focus on capital adequacy and the maintenance of prudential capital buffers, in line with the Bank's risk profile and business strategy.

➤ **SOCIETY:**

ESG, mainly its Environmental and social aspects, were addressed by the Board in 2025, within the scope of the Strategy Committee. The Bank further strengthened its framework through the development of an ESG strategy and policy, alongside the adoption of a diversity policy.

In 2025, the Board also approved a Communication Policy, formalizing the Bank's approach to stakeholder engagement.

LONG-TERM VALUE CREATION

Through its strategic oversight and stakeholder-oriented approach, the Board aims to support the alignment of the Bank's activities with its long-term objectives, financial sustainability, and responsible growth.

Building on the work undertaken in 2025, the Board plans to further refine its approach to strategic discussions in 2026 through a more structured, theme-based process. This is intended to facilitate deeper analysis, ongoing alignment between the Board and Management, and the continued development of a cohesive and actionable strategy.

3.8. CONFLICT OF INTERESTS AND RELATED PARTY DISCLOSURES

Acba bank applies a robust and transparent approach to the identification, declaration, and management of conflicts of interest at the Board level, recognizing this as essential to preserving the integrity, objectivity, and independence of its governance processes.

In accordance with applicable Armenian legislation, the Bank's Charter, and internal governance frameworks, all Board members are required to disclose any actual or potential conflicts of interest in relation to matters under Board consideration. Such disclosures are:

- submitted to the Corporate Secretary;
- reviewed by the Governance, Nomination and Remuneration Committee and, where relevant, the Risk Management Committee;
- accompanied by a compliance opinion, where required;
- duly recorded and reflected in the Board minutes.

In 2025, one case involving a potential conflict of interest was declared by Board member Vardan Urutyán, in relation to the Bank's financing of the Agribusiness segment at the Sevan Startup Summit, where he acted as coordinator.

Given the potential conflict, the matter was submitted to the Board for approval, accompanied by a compliance opinion. Mr. Urutyán abstained from participating in the related discussions and did not take part in the voting.

Following the enhancement of conflict of interest management mechanisms and the introduction of a new policy in 2025, in 2026 all Board members, in line with the updated requirements, participated in the disclosure of related parties and submitted the relevant declarations.

3.9. SHARE OWNERSHIP OF BOARD MEMBERS AND EXECUTIVE BODY

In line with good governance and disclosure practices, Acba bank publishes the shareholding positions of its Board members and Executive Body as of 31 December 2025.

Bank Shares held by Board members:



Bank Shares held by Executive body:



All Board members are required to disclose any changes in their shareholding promptly. The Bank monitors these holdings to ensure compliance with legal requirements and to identify any potential conflicts of interest.

Shareholding status does not in itself compromise the objectivity of Board members. For independent members, additional checks are conducted to verify that shareholding thresholds and other independence criteria remain satisfied.

4 APPLICATION OF THE CODE'S PRINCIPLES

Acba bank is committed to high standards of corporate governance and applies a principle-based approach to ensure accountability, transparency, and responsible decision-making. The Bank's governance practices are aligned with national legal requirements and international best practices.

TRANSITION TO THE ARMENIAN CORPORATE GOVERNANCE CODE

Until August 2024, the Bank applied its internally developed Corporate Governance Code, which was based on the principles of the OECD, the Basel Committee on Banking Supervision, and the UK Corporate Governance Code. In 2025, the Bank transitioned to the Armenian Corporate Governance Code and published its first Corporate Governance Statement.

Based on the results of the compliance assessment, an action plan was developed to enhance alignment with the Code, and the Bank initiated a structured process to achieve a high level of compliance. In 2025, the implementation of this process was overseen by the Governance, Nomination and Remuneration Committee, under the coordination of the Corporate Secretariat.

KEY GOVERNANCE ENHANCEMENTS IN 2025 IN LINE WITH CORPORATE GOVERNANCE PRINCIPLES

- **PRINCIPLE I. 3.** Remuneration of the Board of the organization and executive body thereof

In line with the requirements of the RA Corporate Governance Code and leading governance practices, in 2025 the Bank amended its Charter to assign the authority for determining Board remuneration to the General Meeting of Shareholders.

A proposal on Board remuneration will be submitted for approval at the 2026 Annual General Meeting.

Enhancements were also made to executive remuneration, with sustainability targets integrated into the performance metrics 2026 underpinning variable compensation.

- **PRINCIPLE II. 2.** Composition of the Board

This principle had previously been assessed as partially compliant, reflecting female representation below 30%.

In 2025, while maintaining a strong focus on skills-based selection, a second female member, Sona Ishkhanyan, was elected to the Board and subsequently appointed Chair of the Audit Committee.

This appointment underscores the Bank's continued commitment to strengthening Board diversity.

- **PRINCIPLE II. 8.** Ethical commitment of the Board

Previously assessed as Substantially Compliant, this area saw significant progress in 2025.

Under the leadership of the Board, and supported by the executive management and a strengthened Compliance function, the Bank further enhanced its ethical governance framework.

The Board approved the Acba Bank Group Code of Ethics, Code of Conduct, and Conflict of Interest Policy, reaffirming the Group's commitment to conducting business

with the highest standards of integrity and responsibility towards all stakeholders.

The Code of Ethics sets out clear principles of ethical behaviour and reinforces the importance of “tone at the top” as a cornerstone of the Bank’s culture.

➤ **PRINCIPLE II.10.** Evaluation of the Board

In 2025, the Board conducted its first formal self-assessment.

To ensure objectivity and independence, an external advisor was engaged, and the evaluation was carried out via an independent platform.

The assessment included benchmarking against European and US peers, identifying key development areas and informing the Board’s future effectiveness agenda.

Further details on self-evaluation results are presented in Section 6 of this report.

➤ **PRINCIPLE III. 1.** Internal control

The Bank assessed this principle as substantially compliant in last year’s report.

Operating under the supervision of the Central Bank of Armenia, the Bank’s internal control framework is aligned with the requirements of Regulation 4 on minimum internal control standards.

Recognizing the dynamic risk environment, the Bank continues to enhance its control framework. Following an ICFR review conducted in 2024, an implementation roadmap was developed and remains under the oversight of the Audit Committee.

Ongoing enhancements in 2025 included strengthening risk management frameworks, advancing the compliance function, implementing whistleblowing mechanisms, enhancing budgeting processes, refining deviation escalation procedures, and clearly defining roles and responsibilities across policies.

These efforts are continuous, with the long-term objective of establishing a comprehensive internal control framework.

➤ **PRINCIPLE III.2.** Risk management of the organization

As previously disclosed, the Bank was largely compliant with risk management requirements, with further development required in non-financial risk management.

In 2025, the Bank made notable progress. With the support of the Board Risk Management Committee, the Board approved the Operational Risk Management Framework, with full implementation targeted over time.

➤ **PRINCIPLE III. 3.** Compliance assurance of the organisation

2025 marked a transformational year for the Bank’s compliance function.

The Board approved the Compliance enhancement strategy and the 2025–2027 action plan, with full delivery of all planned 2025 initiatives.

Key milestones included the adoption of the Code of Conduct, Code of Ethics, Conflict of Interest Policy, and Whistleblowing Policy, alongside the implementation of the independent Whispli platform, ensuring secure and anonymous reporting.

The function was further strengthened through full International Compliance Association certification of staff, the establishment of a dedicated monitoring function, cultural and regulatory compliance teams, and enhanced engagement with the regulator.

A Group-wide compliance culture assessment and comprehensive training programmes were conducted. These efforts were reinforced during Compliance Week in February 2026, further embedding a strong compliance culture and “tone at the top.”

➤ **PRINCIPLE IV.1.** Information policy of the organisation

As part of its 2025 corporate governance enhancement action plan, the Bank introduced a Communication Policy aligned with this principle.

The policy clearly defines stakeholder groups, communication objectives, guiding principles, and channels, ensuring consistent and transparent engagement with both internal and external stakeholders.

➤ **PRINCIPLE IV.3.** External audit of the organization

The Bank conducts its external audit in accordance with international standards and the requirements of the Central Bank of Armenia.

The Audit Committee maintains regular engagement with external auditors, ensuring oversight of their independence and the integrity of audit processes.

In 2025, the Bank further enhanced transparency by revising its auditor selection process and introducing an open tender procedure.

➤ **PRINCIPLE V.1.** Stakeholders of the organisation in the corporate governance framework

Previously assessed as substantially compliant, the Bank continues to strengthen its stakeholder engagement practices.

The Bank has clearly defined its stakeholder scope and clarified the Board's role in shareholder engagement.

In parallel, under the leadership of the Strategy Committee, the Bank developed its ESG strategy and adopted a dedicated ESG policy.

In 2026, the Bank will publish its 2025 Sustainability Report, further enhancing transparency and stakeholder engagement.

**OTHER KEY GOVERNANCE DEVELOPMENTS:
 IMPLEMENTATION OF GROUP GOVERNANCE**

Following the introduction of Group Governance in 2024, the Bank further strengthened its framework in 2025.

The Group structure was clearly defined to include the Bank and its subsidiaries, currently comprising Acba Leasing, fully owned by the Bank.

The Group operates under a unified governance model built on the following pillars:

➤ **Identical Board and committee composition**

The Boards and Board committees of Acba Bank and Acba Leasing operate with aligned composition and schedules, ensuring transparency, efficient decision-making, and a streamlined accountability framework.

➤ **Aligned internal control responsibilities**

Group-level control functions ensure consistent application of policies and oversight practices.

➤ **Aligned regulatory framework**

Key policies are adopted at the Group level, ensuring consistency across the Bank and its subsidiaries.

This integrated approach supports policy coherence, risk alignment, and effective control across the Group.

**CORPORATE GOVERNANCE CODE COMPLIANCE
 ASSESSMENT 2025**

In accordance with the Armenian Corporate Governance Code, the Bank conducted a detailed self-assessment of its compliance across all applicable principles. The 2025 assessment was carried out using the Phase III declaration format issued by the Ministry of Economy of the Republic of Armenia, which is designed for organizations with advanced corporate governance frameworks.

This assessment, together with the explanatory narratives, is presented in the Bank's Annual Corporate Governance Statement, which is included as Annex 9 to this Report.

5 BOARD AND COMMITTEE ACTIVITIES

5.1. OVERVIEW OF BOARD AND COMMITTEE MEETINGS IN 2025

In 2025, the Board and its Committees convened a total of **51 meetings**, including 9 plenary Board meetings and 1 special session, alongside 41 Committee meetings. Meetings were held through a mix of offline, online, hybrid, and written procedures to ensure flexibility and effective decision-making.

BODY	NUMBER OF MEETINGS	METHODS OF CONVENING
BOARD	9 + 1 special session	3 offline, 4 online, 3 mixed
AUDIT COMMITTEE	9	3 offline, 6 online
GOVERNANCE, NOMINATIONS AND REMUNERATIONS COMMITTEE	10	1 offline, 9 online
RISK MANAGEMENT COMMITTEE	12	2 offline, 9 online
Strategy Committee	10	5 offline, 4 online, 1 by written procedure

5.2. FOCUS AREAS OF THE BOARD

In 2025, the Board’s agenda reflected a balanced distribution across key governance and oversight areas, with a clear emphasis on strategic planning and oversight, which accounted for the largest share of discussions. This increased focus is consistent with the Board’s shift in 2025–2026 toward refining the Bank’s strategic direction and strengthening alignment between the Board and Management.

Strategic matters were addressed both at the Board level and through the work of the Strategy Committee, which became fully operational during the year and sup-

ported a more structured and forward-looking approach to strategy development. Alongside strategy, the Board maintained strong oversight of governance, as well as risk management, compliance, and AML/CTF topics, ensuring that the Bank’s growth objectives remain aligned with its risk profile and regulatory expectations.

Operational and business-related topics—including procurements, product and service development, infrastructure, and operational efficiency—also represented a portion of the agenda, reflecting the Board’s involvement in supporting execution of strategic priorities. In parallel, the

Board continued to exercise oversight over internal audit activities, as well as remuneration and HR-related matters, including performance management and compensation frameworks.

Overall, this distribution of agenda items demonstrates a well-rounded and forward-looking governance approach, with increasing emphasis on strategic alignment, while maintaining robust oversight across risk, control, and operational domains.

FOCUS AREA	NUMBER OF MEETINGS
STRATEGIC PLANNING AND OVERSIGHT	26
RISK MANAGEMENT, COMPLIANCE AND AML/CTF	16
INTERNAL AUDIT OVERSIGHT	8
GOVERNANCE, BOARD FUNCTIONING, SHAREHOLDER AND AGM MATTERS	18
REMUNERATION AND HR-RELATED MATTERS	8
PROCUREMENTS, PRODUCT AND SERVICE DEVELOPMENT, INFRASTRUCTURE AND OPERATIONS	15

In addition to the above matters, in 2026 the Board approved 37 internal regulatory documents, the majority of which were policies. A significant portion of these documents relate to the Acba bank Group and were adopted or updated as part of the ongoing development and implementation of the Group governance framework. The framework of regulatory documents approved by

the Board in 2025 includes a number of key policies and frameworks, such as the Group Governance Policy, Reporting Policy, Recovery Plan, Risk Management Framework, Operational Risk Management Framework, Code of Ethics, Code of Conduct, Whistleblowing Policy, Budgeting Policy, Structure Policy, ESG Policy, Communication Policy, and Diversity Policy, among others.

5.3. ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The attendance of Board members at Board and Committee meetings in 2025 is presented in the chart below, reflecting a high level of engagement across the Board and its committees. During the year, there were changes in the composition of the Board and its Committees; accordingly, members' attendance is presented from the effective dates of these changes. In particular,

- **Ms. Sona Ishkhanyan** was registered as a Board member with the Central Bank of Armenia in July 2025,
- **Mr. Harutyun Pakhchanyan** transitioned from the Risk Management Committee to the GNR Committee in April 2025.
- **Klaus Gressenbauer** and **Henrik Kochinyan** ceased serving as members of the Board in May 2025.

BOARD MEMBER	BOARD	AUDIT COMMITTEE	RISK MANAGEMENT COMMITTEE	GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE	STRATEGY COMMITTEE
RAFAYEL SARGSYAN	9/9	9/9	12/12	10/10	
BRUNO CHARRIER	9/9		12/12	10/10	10/10
ASHOT KARAPETYAN	9/9		12/12		10/10
HARUTYUN PAKHCHANYAN	9/9		2/12	8/10	
ARAM BABAYAN	9/9			10/10	10/10
VARDAN URUTYAN	9/9	9/9			
BERNARD DE WIT	9/9				10/10
GAYANE AYRAPETYAN	9/9				10/10
SONA ISHKHANYAN	6/9	4/9			
KLAUS GRESSENBAUER	1/9	2/9			
HENRIK KOCHINYAN	3/9			5/10	

BOARD AND MANAGEMENT PERFORMANCE

6.1. BOARD EVALUATION

In line with the requirements of the Corporate Governance Code, and reflecting the Bank's ongoing commitment to aligning with international best practices, the Bank undertook a comprehensive self-assessment of the Board's performance.

To support this process, the Chairman of the Board, together with the Corporate Secretariat, conducted a market review to identify a suitable external partner to facilitate the evaluation. As part of this exercise, proposals were received from a number of internationally recognized advisory firms.

Following a careful review of both the technical methodologies and financial proposals submitted, the Board selected Better Boards to support and facilitate the evaluation process. The assessment was conducted based on the "Seven Hallmarks of an Effective Board" framework, utilizing Better Boards' proprietary digital evaluation platform.

The Board evaluation was carried out on 10 October 2025 and included confidential questionnaires, benchmarking analysis, and facilitated discussions among Board members.

Based on the outcome of the assessment, Better Boards prepared a comprehensive Board Evaluation Report, benchmarking ACBA Bank's Board performance against both industry standards and global governance benchmarks.

Based on the results, the Board identified a number of priority areas for further enhancement. The implementation of the corresponding Board Enhancement Action Plan will be coordinated by the Chairperson of the Board, with the support of the Corporate Secretariat. Progress against the identified actions will be periodically reviewed by the Board.

The engagement included:

- Kick-off session and training for all Board members
- A research-based evaluation questionnaire
- Comprehensive analysis, including benchmarking across all dimensions of effective board performance
- Working session with the Corporate Secretariat
- Dedicated session with the Chairman of the Board
- Facilitated session with the Board

The outcomes of the evaluation

Results Overview

CRITERIA	ACBA BANK	UNIVERSE BENCHMARK*	BETTER BOARDS
THE STRENGTHS OF THE BOARD	4.00	4.13	4.14
COMPOSITION OF THE BOARD	3.67	3.89	4.00
CLARITY OF ROLES AND RESPONSIBILITIES	4.04	4.06	4.04
VISION, GOALS AND FOCUS OF THE BOARD	3.40	4.02	3.96
ORGANISATION OF BOARD MEETINGS	3.90	4.13	4.09
RUNNING OF BOARD MEETINGS	3.97	4.00	3.99
ABILITY TO RESOLVE CONFLICTS	3.60	4.14	4.01
REFLECTION ON THE WORK OF THE BOARD	3.56	3.90	3.75

* Universe benchmark based on Financial Services sector

Note from the report provided by Better Boards

“In this report, we compare the Acba bank board with data from other Financial Services organisations and other boards. It should be noted that the Financial Services organisations in our database are from the US, Western, Eastern, and Middle Europe. The home countries of the organisations, as well as the organisations themselves, have a longer history than Acba Bank and established corporate governance standards well before Armenia. We believe this should be taken into account when examining the benchmarks and comparisons.

In our view, the Acba bank board has, from what we can see, achieved a remarkable standard of corporate governance in a short space of time, as evidenced by the results of this board effectiveness evaluation.”

6.2. BOARD REMUNERATION

In 2025, Acba bank maintained a structured approach to Board remuneration. Compensation was based on attendance at Board and Committee meetings, as well as on the assumption of additional responsibilities, such as chairing committees. Committee Chairs received a fixed quarter retainer to reflect their workload and leadership duties. The Chairman of the Board received a flat-rate compensation and a limited performance-based component, proportionate to the responsibilities of the role. Other preparatory or informal engagements were not separately compensated.

This remuneration structure supported fairness, accountability, and governance integrity, encouraging active engagement and responsible oversight from all Board members.

Under Article 21¹ of the Law on Banks and Banking of the Republic of Armenia, the authority to determine Board member remuneration is vested in the General Meeting of Shareholders, unless this authority was delegated to the Board through the Bank's Charter. At Acba bank, this delegation has been formalized in the Charter, and the Board exercised this authority.

Exercising its authority in this area, the Board introduced, starting from 2025, a remuneration framework for Board members aligned with European benchmarks, taking into account the limited availability of robust local comparators. The framework is designed to reflect international best practices and the evolving strategic needs of the Bank.

Following the adoption of the Armenian Corporate Governance Code in 2024—which recommends that decisions on Board remuneration be made by the General Meeting of Shareholders—the Bank has accordingly amended its Charter. As a result, beginning from this year, shareholders will directly approve the remuneration terms of Board members, enhancing transparency and strengthening shareholder engagement. The matter of Board remuneration has been included in the agenda of the 2026 Annual General Meeting of Shareholders.

Information on the remuneration of Board is disclosed on the Bank's official website (<https://www.acba.am/hy/about-bank/about/Shareholders>) in accordance with applicable legal requirements. The format of such disclosure reflects a commonly accepted and consistently applied practice within the Armenian banking sector. In this context, the Bank follows the prevailing industry approach.

6.3. MANAGEMENT OVERSIGHT, EVALUATION AND EXECUTIVE BODY'S REMUNERATION

In 2025, the Board continued its structured oversight of senior management performance through a KPI-based evaluation framework. Key Performance Indicators (KPIs) for the CEO and Deputy CEOs, as well as for CRO were reviewed and approved by the Board upon the recommendation of the Governance, Nominations and Remunerations (GNR) Committee and Risk Management Committee, ensuring alignment with the Bank's strategic objectives.

When setting the 2025 KPIs and linking them to variable remuneration, the Board aimed to promote balanced and responsible performance, with focus on stability, sound management practices, and sustainable growth.

Throughout the year, the Board Committees regularly monitored the performance of Top Management in order to maintain ongoing oversight of the process and to communicate any concerns, where identified.

At the end of the financial year, the GNR Committee assessed individual performance against the approved KPIs, and submitted performance evaluations to the full

Board for review. The assessment of the CRO's KPIs was reviewed and recommended by the Board Risk Management Committee.

The outcomes of this evaluation process directly informed adjustments to the variable component of top management remuneration, reinforcing the link between performance and reward.

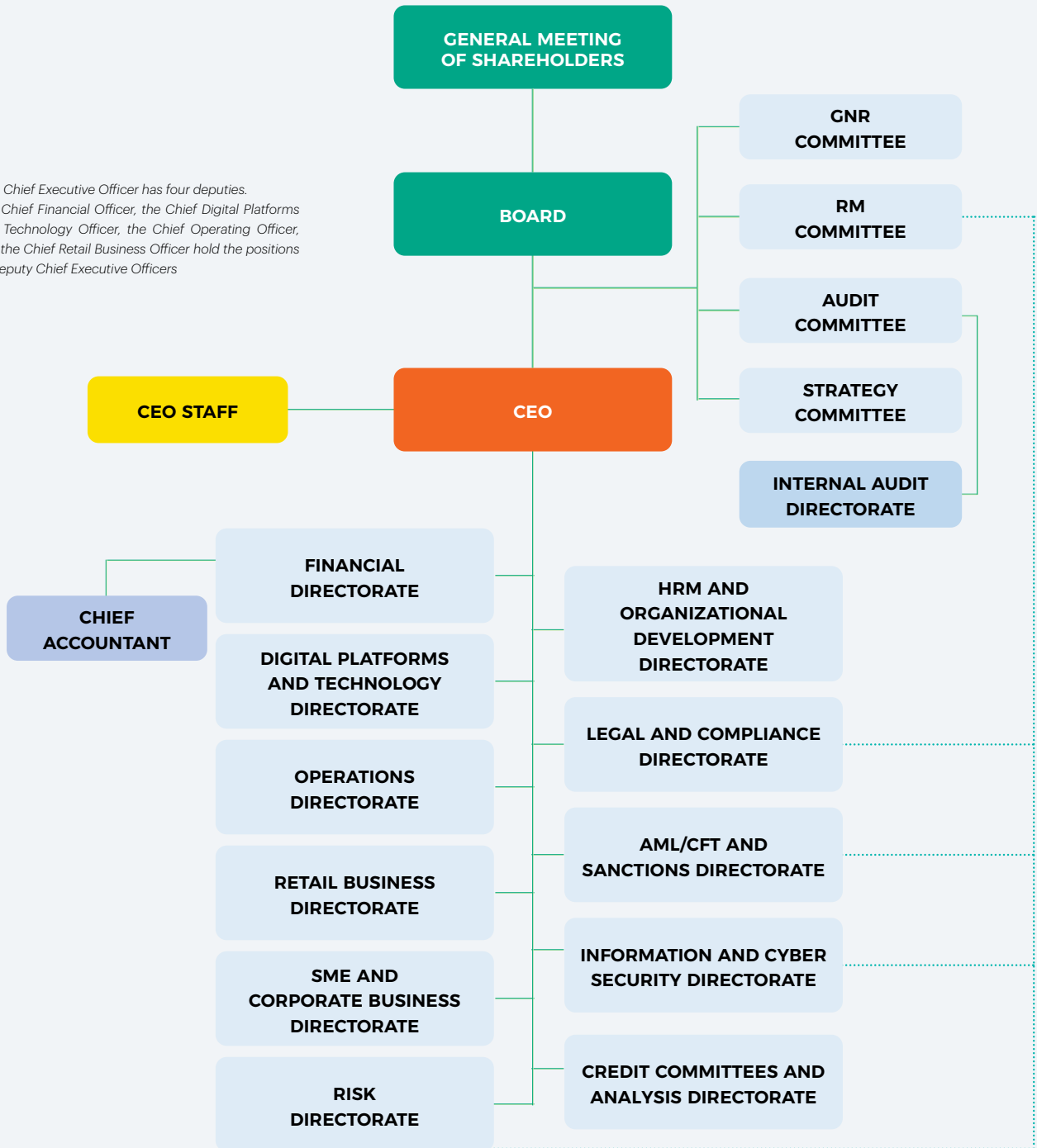
KPIs are subject to annual review to reflect evolving strategic priorities.

This structured approach has enabled the Board to maintain clear expectations, monitor execution against strategic goals, and ensure accountability within the top management team.

Information on the remuneration of the executive body is disclosed on the Bank's official website (<https://www.acba.am/hy/about-bank/about/Shareholders>) in accordance with applicable legal requirements. The format of such disclosure reflects a commonly accepted and consistently applied practice within the Armenian banking sector. In this context, the Bank follows the prevailing industry approach.

ANNEX 1 – ORGANIZATIONAL STRUCTURE CHART

**The Chief Executive Officer has four deputies. The Chief Financial Officer, the Chief Digital Platforms and Technology Officer, the Chief Operating Officer, and the Chief Retail Business Officer hold the positions of Deputy Chief Executive Officers*



ANNEX 2 – FINANCIAL RESULTS OF 2025

ACBA BANK'S FINANCIAL POSITION INDICATORS:

In During 2025, the Bank maintained a strong and stable financial position, supported by balanced growth across its core business segments.

TOTAL ASSETS

Total assets amounted to **AMD 1.06 trln representing 14% (AMD 131 bln) YOY growth**, further solidifying the bank's position among the top three in the market. This growth was mainly driven by loan expansion, while maintaining a balanced asset structure.

LOAN PORTFOLIO

The bank's loan portfolio reached **AMD 737 bln**, reflecting **17% (AMD 107 bln) YOY growth**. This performance allowed the Bank to maintain its top-three market position. Throughout the year, the Bank preserved a strong focus on AMD-denominated lending. By year-end, loans issued in AMD accounted for **78%** of the total loan portfolio, compared to 68% for the overall banking system.

DEPOSIT PORTFOLIO

Customer deposits totaled **AMD 618.5 bln** representing **6% (AMD 34 bln) YOY growth**. The Bank continued to strengthen its funding base through bond issuances. The bond portfolio increased by **AMD 12 bln YOY**, reaching **AMD 52 bln** as of December 31, 2025. The Bank continued to improve the share of AMD-denominated deposit portfolio and issued bonds throughout the year, reaching **70%** by the end of the year.

CAPITAL

The bank's total capital stood at **AMD 194.6 bln**, with a capital adequacy ratio of **23.2%**, comfortably exceeding regulatory requirements. The Bank continues to maintain a strong capital buffer to support future growth and absorb potential risks.

In 2025, the Bank distributed **AMD 6,6 bln** in dividends, representing approximately **23%** of its 2024 net income.

ACBA BANK'S FINANCIAL PERFORMANCE INDICATORS:

The bank demonstrated solid financial performance during the reporting period, driven by sustainable revenue growth and effective cost management.

NET PROFIT

Net profit for the year amounted to **AMD 35,9 bln**, representing a **25%** increase compared to the previous year.

NET INTEREST INCOME

Net interest income reached **AMD 66,4 bln**, growing by **22%**. The net interest margin stood at **7.4%**.

NON-INTEREST INCOME

Non-interest income totaled **AMD 18,7 bln**, increasing by **AMD 3,0 bln or 19%** and accounting for **22%** of total net banking income. Growth was primarily driven by net fees and commissions (**YOY+ AMD 1,4 bln or 18%**) and income from FX operations (**YOY+ AMD 1,5 bln or 30%**).

NET BANKING INCOME

As a result, Net Banking income reached **AMD 85 bln**, reflecting **21% (AMD 15 bln) YOY** increase.

COST EFFICIENCY

Non-interest expenses amounted to **AMD 35,8 bln**, resulting in a cost-to-income ratio of **42.0%**, an improvement by **4.6** percentage point compared to the previous year.

PROFITABILITY RATIOS

- **Return on Assets (ROA): 3.6%**
- **Return on Equity (ROE): 20.0%**

These indicators demonstrate the bank's ability to generate sustainable returns while maintaining a prudent risk profile.

ASSET QUALITY

Credit losses amounted to **AMD 4,3 bln** in 2025, representing **0.6%** of the loan portfolio.

ANNEX 3 – SIGNIFICANT PARTICIPANTS, BENEFICIAL OWNERS AND SHAREHOLDER RIGHTS

SIGNIFICANT PARTICIPANTS

“ACBA FEDERATION” CJSC

- ▶ Acba Federation has been a qualifying shareholder (significant participant) in Acba Bank since 2017, currently holding **75% of the Bank's equity**.
- ▶ Acba Federation was established in 2017 by ten Agricultural Cooperative Regional Unions (ACRUs) NGOs, each of which is based in one of the regions of Armenia. The ACRUs were former direct shareholders (and founders) of the Bank, before founding ACBA Federation in 2017. The 10 ACRUs are backed by more than 75,000 members, individual farmers from all regions of Armenia.
- ▶ Acba Federation, through its participation in Acba Bank's equity, is highly active in agriculture sector across Armenia, aiming to foster agricultural development nationwide. In this role, it contributes to rural prosperity and community growth, supports agricultural startups and community development efforts, and helps establish pilot farms that introduce advanced agricultural business management practices.

«SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR L'ACOOPERATION ÉCONOMIQUE» (Proparco)

- ▶ Proparco joined Acba Bank as a qualifying shareholder (significant participant) at the end of 2024, holding **10% of the Bank's equity**.
- ▶ Proparco is a subsidiary and the private-sector financing arm of the Agence Française de Développement Group (AFD Group).
- ▶ It has been promoting sustainable economic, social and environmental development for over 45 years. Proparco provides funding and support to both businesses and financial institutions mainly in Africa, Asia, Latin America and the Middle-East. Its action focuses on the key development sectors: infrastructure, mainly for renewable energies, agribusiness, financial institutions, health and education.
- ▶ Its operations aim to strengthen the contribution of private players to the achievement of the Sustainable Development Goals (SDGs) adopted by the international community in 2015. To this end, Proparco finances companies whose activity contributes to creating jobs and decent incomes, providing essential goods and services and combating climate change. They contribute to building sustainable economic growth and reducing poverty.
- ▶ Agence Française de Développement (AFD) is an indirect significant shareholder in the Bank via Proparco. AFD is an industrial and commercial state-owned entity (EPIC) under the French Government, operating as a financially independent legal entity. As a financing institution serving the public interest, AFD holds approximately 84% of Proparco's shares.

OTHER SHAREHOLDERS

- A combined total of **15% of the Bank's equity** is owned by other individuals and legal entities, including employees.
- Most employees became shareholders through the Employee Stock Ownership Program (ESOP) conducted in April 2021 in collaboration with ACBA FEDERATION CJSC, ACBA LEASING CO CJSC, and the Bank. Under this ESOP, 147,530 shares were allocated to more than 1,100 employees of these organizations.
- Additional employees, as well as various individuals and legal entities, acquired shares during the Bank's first IPO in September–November 2021.
- From February 1, 2022, Acba Bank's shares have been listed on the Main "A" list of the Armenia Stock Exchange, allowing market participants to buy or sell the free float portion of shares in a flexible and transparent manner.

BENEFICIAL OWNERS

According to the RA Law On Combating Money Laundering And Terrorism Financing Acba bank's **CEO, Hakob Andreasyan**, is considered to be the beneficial owner of the Bank.

According to Article 3, Clause 14 of the mentioned law -The beneficial owner is a natural person on behalf or for the benefit of whom the customer actually acts, and (or) who actually (de facto) controls the customer or the person on behalf or for the benefit of whom the transaction is made or the business relationship is established. The beneficial owner of a legal entity (except for a trust or other legal arrangement that does not have the status of a legal entity under foreign law) is considered to be a natural person who:

a) directly or indirectly owns 20 percent or more of the voting shares (stocks, units) of a given legal entity or directly or indirectly has a 20 percent or more participation in the authorized capital of a legal entity,

b) exercises real (actual) control over a given legal entity by other means,

c) is an official exercising general or current management of the activities of the legal entity in the event that there is no natural person meeting the requirements of subparagraphs "a" and "b" of this clause. Considering the fact that there is no natural person according to the subparagraphs a and b in the Bank, in our case the Chief Executive Officer (CEO) is considered as beneficial owner, in accordance with subparagraph c.

SHARES OF THE BANK

The Bank has a share equity that is equal to the amount of nominal value of all outstanding shares. The total share equity currently amounts to AMD 89,775,000,000, (eighty-nine billion seven hundred seventy-five million) divided into 5,985,000 (five million nine hundred eight-five thousand) common shares with a nominal value of AMD 15,000 (fifteen thousand) each. The Bank is authorised to issue an additional 2,500,000 (two million five hundred thousand) common shares. The Bank's shares are non-documentary and indivisible. The Bank have not issued preferred shares, if issued, the total nominal value of such shares must not exceed 25% of the Bank's total share equity.

Each ordinary share provides its holder with equal rights, including the right to:

- participate in and vote at the General Meeting on all matters within the mandate of the General Meeting, proportionate to the number of voting shares owned;
- engage in the governance of the Bank;
- receive dividends from the profit generated by the Bank's activity;
- exercise a pre-emptive right to acquire shares issued by the bank;
- access information regarding the Bank's activities, including financial statements and reports, upon written

request, free of charge, within three business days;

- initiate and external audit (if holding at least 5% of voting shares), select the auditor, and seek reimbursement of audit expenses if the audit is deemed justified by the General Meeting;
- be represented at the General meeting by authorised third party;
- submit proposals and recommendations to the General Meeting;
- vote in proportion to fully paid voting shares
- receive a due part of the property in case of Bank's liquidation;
- file a claim in court to challenge decisions of the General Meeting that contradict the applicable laws, other legal acts or the Bank's Charter;
- freely alienate or transfer their shares without the consent of other shareholders;
- unite with other shareholders to appoint a representative to the Board;
- demand that the Board convene a meeting, of holding at least 5% of voting shares;
- review the minutes of General Meetings.

* **Shareholders holding 10%** or more of the voting shares as of the date of compiling the list of shareholders entitled to participate in the General Meeting may appoint a representative to the Board without election by the General Meeting. Those holding less than 10% individually may unite, and if their total exceeds 10% of voting shares, they may also appoint a joint representative to the Board without an election, provided there is a formal shareholder agreement, and the General Meeting is informed of its existence in accordance with the law. Shareholders holding less than 10% and not united may still jointly elect a common representative to the Board without General Meeting election. Only minority shareholders, even if only one, participate in this vote. The representative is elected by a simple majority.

Shareholders bear the risk of losses related to the Bank's activity within the limits of the value of the shares they own and are not liable for the obligations of the Bank.

ANNEX 4 – COMPANIES WITH SUBSTANTIAL PARTICIPATION OF THE BANK



By the Decision of the Central Bank of Armenia, dated 28. 04.2017 "ACBA-CREDIT AGRICOLE BANK" CJSC, "ACBA LEASING" CO CJSC " and "AMUNDI-ACBA ASSET MANAGEMENT" CJSC" have been qualified (recognized) as a financial group - "ACBA-CREDIT AGRICOLE GROUP".

By the "ACBA BANK" OJSC's Board decision of 14/08/2020 the financial group has been renamed to "ACBA GROUP". "ACBA BANK" OJSC has been appointed as a responsible person of the "ACBA GROUP" financial group.



"ACBA LEASING" CO CJSC

Acba Leasing is the first leasing company in Armenia and is the absolute leader of the Armenian leasing market. The company's stable leading position is conditioned by the high quality of the offered services, stable and mutually beneficial relations with the customers and suppliers, as well as by the efficiency of its activities.

SHAREHOLDERS

The 100% shareholder of Acba Leasing is "Acba bank" OJSC.

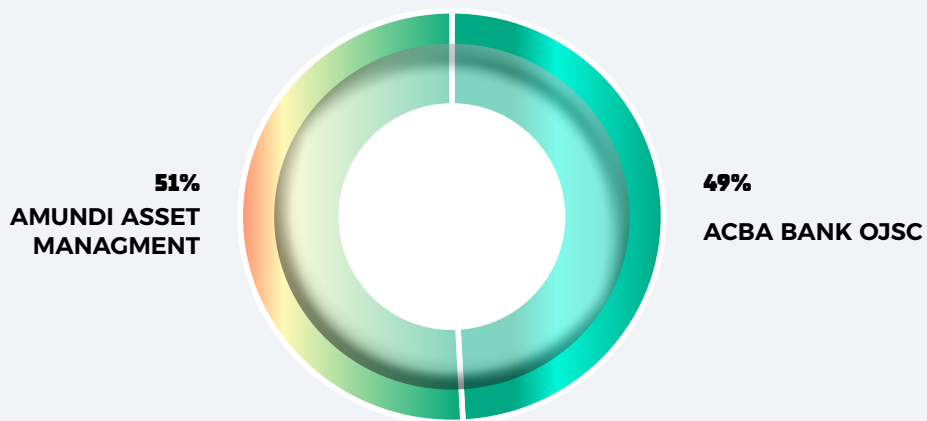
Amundi acba

ASSET MANAGEMENT

AMUNDI-ACBA is a long-term leading institutional investor in Armenia, recognized for high quality and transparency of its services and stakeholder relations, its organizational efficiency and commitments to sustainable development and social responsibility.

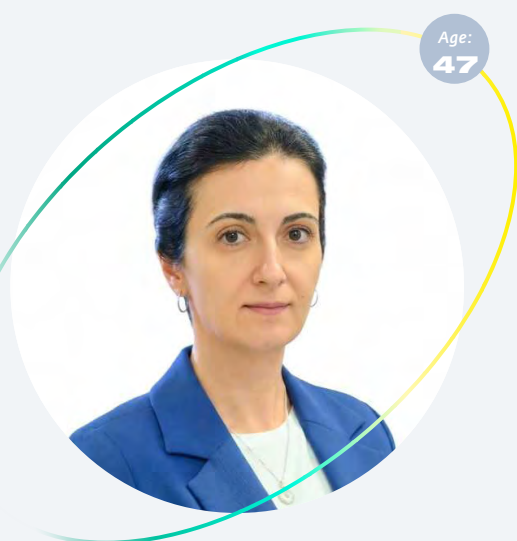
Amundi-Acba manages 3 funds within the mandatory pension funds system: Balanced (AMBAL), Conservative (AMCON) and Fixed income (AMFIX) funds, the main purpose of which is to ensure the maximum return on assets at an acceptable level of risk by making investments in accordance with the RA legislation

SHAREHOLDERS





ANNEX 5 – BOARD, INTERNAL AUDIT AND CORPORATE SECRETARIAT



SONA ISHKHANYAN

Board Chairperson
Independent Board Member
Appointed to the Board as of July 2025
Elected as a chairperson from April 2026

Skills and experience:

Sona Ishkhanyan has over 24 years of professional experience in Internal Audit, Enterprise Risk Management, and Financial Services. She has served as Chairperson and Member of Audit Committees for over 13 years across several ProCredit Banks in Ukraine, Georgia, Armenia, and Moldova. Her career includes 18 years of specialization in Internal Audit and Risk Management, and 4 years of consulting experience at Deloitte & Touché LLP in San Francisco, USA.

Throughout her career, Sona Ishkhanyan has gained extensive expertise in SOX compliance, internal audit methodology development, financial reporting, business process assessment, and cross-functional international management. Sona Ishkhanyan joined Acba's Board in 2025. She served as a Audit Committee chair until April 2026. In April 2026 Sona Ishkhanyan was elected as a Chairperson of the Board.

Other Positions

- Group Audit Regional Manager (Coordinator) at ProCredit Holding AG & Co. KGaA (2011–Present)
- Chairperson/Member of Audit Committees at different ProCredit Banks (Ukraine, Moldova, Armenia, Georgia, throughout different time periods, Ukraine (since 2014, ongoing)
- ProCredit Holding Group Audit representative in Audit and Risk committees of banks of responsibility

Education:

Sona Ishkhanyan holds a Master of Business Administration (MBA) degree from the University of Nebraska, USA (2004–2005), and a Bachelor's Degree in Accounting and Audit from the Yerevan State Institute of Economics, Armenia (1995–2000).

Age:
75



BRUNO CHARRIER ☉○○○

Board Member

Appointed to the Board as of June 2019, re-appointed in 2025

Skills and experience:

Bruno Charrier has extensive knowledge in financial services, technology and corporate strategy from a career spanning more than 40 years within Credit-Agricole Group. During this period Bruno held different positions of executive or Chairman in the various French and international subsidiaries of Credit Agricole Group.

Bruno earlier served as Deputy CEO of Emporiki Bank in Greece and later as the Chairman of the Executive Board of Credit Agricole Serbia and the Chairman of the Executive Board of Credit Agricole Leasing Serbia.

Education:

- › National Institute of Applied Sciences in Lyon, degree in IT Engineering
- › French Institute of Management (Lyon, France), Master of Business Administration (MBA) degree
- › Graduated two times within internal executives training and selection paths of Credit Agricole Group

Age:
52



ASHOT KARAPETYAN ○○○☉

Independent Board Member

Appointed to the Board as of June 2022, re-appointed in 2025

Skills and experience:

Ashot Karapetyan has significant experience across the regulatory and finance sectors, and a deep understanding of capital markets, risk management, macro-economic and regulatory environment. Ashot Karapetyan has resided in Canada since 2008 and has worked for the Canada Mortgage & Housing Corporation (CMHC) as an economist, specialist and manager in Economic Analysis, Capital Markets, Risk Management and Compliance. He has most recently worked as a manager in Risk, Strategy and Policy at Canada's financial regulator, the Office of the Superintendent of Financial Institutions (OSFI).

Other positions:

- › Manager, Risk Management and Compliance, Canada Mortgage and Housing Corporation (CMHC)

Education:

- › Yerevan State University, degree in Economics
- › Graduated from the University of Illinois at Urbana-Champaign, Master of Science (MSc) in Economics
- › Chartered Financial Analyst (CFA) Charterholder CFA Institute
- › Financial Risk Manager (FRM) Certification Global Association of Risk Professionals (GARP)



Age:
66

BERNARD DE WIT 
Independent Board Member
Appointed to the Board as of July 2024.

Skills and experience:


Bernard De Wit spent his entire career at major financial institutions, focusing initially on Retail and commercial banking. He then occupied several senior positions in the area of Finance and Risk Management, before becoming one of the founders of Amundi, the leading European Asset Management company. He was Deputy CEO of Amundi until 2023.

Education:

- *Master of Economic Management*
- *Master of Business Administration (Partnership University of Louvain and University of Chicago)*



Age:
47

ARAM BABAYAN 
Board Member
Appointed to the Board as of June 2022, re-appointed in 2025

Skills and experience:

Aram Babayan has over 15 years of experience working for the Deutsche Gesellschaft für Internationale Agency (GIZ), holding the positions of expert, program coordinator, deputy manager and team leader in various programs.

Other positions:

- *Project team leader at Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)*
- *Board member of the Wines of Armenia Association and Advisory*
- *Board Member of German Business Association in Armenia*

Education:

- *Agricultural Academy of Armenia, bachelor's and master's degrees*
- *University of Triesdorf in Germany, a Master of Business Administration (MBA) in Agriculture*



HARUTYUN PAKHCHANYAN ○

Board Member

Appointed to the Board as of June 2022. , re-appointed in 2025

Skills and experience:

Harutyun Pakhchanyan is an accomplished business leader with extensive international experience in finance and strategic development. With over 15 years of cross-sector expertise gained through roles in finance, corporate governance, and agricultural entrepreneurship. Since 2015 Mr. Pakhchanyan is the Executive Director of "ARBERRY" company.

Other positions:

- *Executive Director at "ARBERRY"*
- *Cofounder and CEO at MR LAMB LLC*

Education:

- *Yerevan State Institute of Economics*
- *Cardiff University in Wales (UWIC, UK), Master of Business Administration (MBA) degree*



Age:
49

VARDAN URUTYAN ○

Board Member

Appointed to the Board as of June 2022.

Skills and experience:

Vardan Urutyan brings extensive insight into financial services, technologies and corporate strategy, through his leadership experience in various educational and research organizations. He previously served as the Director of the International Center for Agribusiness Research and Education (ICARE). Since December 2018 until December 2023 Vardan Urutyan served as the Rector of the Armenian National Agrarian University (ANAU). During 2010-2024 Vardan Urutyan served as an Adjunct Professor in the Department of Agricultural Economics of Texas A&M University, USA. He has been an expert/chief researcher/team leader in the USAID, EU, ADA, World Bank, Asian Development Bank, AUA, UN FAO, UNDP and other local and international organizations.

Other positions:

- Founder & CEO, Armenian Institute for Digital Agriculture
- Agribusiness and Digital Agriculture International Expert
- Member of the Board of Trustees: ReArmenia Foundation
- Professor and Member of the Board of Trustees: Armenian National Agrarian University
- Member of the Board of Trustees: Georgian Center for Agribusiness Development
- Member of the Board: Armenian Economic Association

Education:

- PhD in Economics, Yerevan State Institute of Economics., Armenian State University of Economics
- Post Doctoral Certificate Program in Agribusiness Finance, Risk Management and Research Methods at the Department of Agricultural Economics and Business, University of Guelph, Canada
- Completed a Professional Course in Leadership and Education Management at Texas A&M University, USA. Completed an Executive Management Program in Maastricht School of Management, The Netherlands
- Professional distance learning programs: Trade, Growth and Poverty; Trade and Gender; Standards and Agricultural Trade; Economics of Education for Policymakers. The World Bank Institute. The World Bank Group, E-Institute for Development. Certificates obtained
- Academic Training in Education Administration, The University of Hohenheim, Stuttgart, Germany and The University of Wageningen, Wageningen, The Netherlands. Certificate obtained
- Professional Training in Precision Agriculture and Digital Farming Technologies at the Weihenstephan-Triesdorf University of Applied Sciences, Germany. Certificate obtained



GAYANE AYRAPETYAN ○

Board Member

Appointed to the Board as of August 2024.

Skills and experience:

Gayane Hayrapetyan is a respected scientist and entrepreneur with a strong background in biomedical research and regional development. She has led the International Biomedical Center for many years and is widely published in her field. Gayane is also the co-founder of ActiTour and founder of the "7 Qar" complex in Garni, showcasing her passion for tourism and culture.

Other positions:

- Director of the International Medical Biomedical Center
- Co-founder of ActiTour company
- Founder of "7 Kar" complex
- Board member at the "Kotayk ACRU" NGO

Education:

- Yerevan State University, Faculty of Radio-physics, bachelor's and master's degrees
- Post-graduate program at the UNESCO Biomedical Center

Board committee membership key

- ⊙ Chairperson of the Board
- Audit Committee
- Risk Committee
- Governance, Nomination and Remuneration Committee
- Strategy committee

Learn more about our board members at the following link ("Bank managers" section):

<https://www.acba.am/hy/about-bank/about/Bank-today>

BOARD MEMBERS APPOINTED BY BANK'S SIGNIFICANT SHAREHOLDER "ACBA FEDERATION" CJSC WITHOUT A VOTE AT THE GENERAL MEETING



RAFAYEL SARGSYAN

Rafayel Sargsyan is an experienced lawyer within the banking industry with significant leadership experience at Acba bank. Rafayel was the former Head of Acba bank's Legal Department where he was responsible for the Group legal and governance, as well as for NPL collection process.

Rafayel Sargsyan was appointed in the Board of the Bank's by significant shareholder, "ACBA FEDERATION" CJSC, directly, without a vote at the General Meeting in line with Article 21³, paragraph 2 of the RA Law "On Banks and Banking Activities" and Article 85, part 2 of the RA Law "On Joint-Stock Companies".

Rafayel also served as Chairman of the Board from January 2022 until April 2026.

By a decision dated April 7, 2026, "ACBA FEDERATION" CJSC decided to terminate the powers of Rafayel Sargsyan as a member of the Bank's Board appointed by ACBA FEDERATIO, directly, without a vote at the General Meeting. **The termination has been submitted to the Central Bank for registration.**



HARUTYUN POGHOSYAN

Harutyun Poghosyan has been serving as General Manager of ACBA Federation CJSC since 2017. He has over two decades of experience in the banking and financial sector, with a strong focus on marketing, strategy, and cooperative banking development.

He joined Acba bank in 1995 and has held a number of senior positions, including Head of Marketing and Quality, and later Head of Marketing at Acba Bank. Earlier in his career, he contributed to the establishment of Acba bank within the EU TACIS program.

By a decision of April 7, 2026, based on Article 85(2) of the RA Law on Joint-Stock Companies, Article 21³ (2) of the RA Law on Banks and Banking, as well as Article 8.3 of the Bank's Charter, "ACBA FEDERATION" CJSC dated decided to appoint Harutyun Roland Poghosyan, General Director of the Federation, as a new member of the Bank's Board without election by the General Meeting. **The appointment has been submitted to the Central Bank for registration.**

OTHER BOARD MEMBERS WHO SERVED IN 2025



KLAUS GRESSENBAUER

Klaus Gressenbauer is an experienced auditor with exceptional international experience in the Europe and US. Klaus spent 20 years at European Central Bank, where he held positions, including Director of the Planning and Supervision Directorate and Head of Internal Audit and Chairman of the Eurosystem, ESCB and SSM Audit Committee. Dr. Gressenbauer joined in Acba bank bord in 2022 and served until 2025 AGM. During his tenure he held the position of Audit committee chair.



HENRIK KOCHINYAN

Henrik Kochinyan has extensive experience in public administration from a career spanning more than 40 years, holding many key positions in the public administration system of the Republic of Armenia, including Minister of Transport and Communication of Armenia, Governor of Lori region, Head of the Department of the Tax Inspection of the State Revenue Committee. Mr. Kochinyan joined in Acba bank bord in 2010 and served until 2025 AGM.

INTERNAL AUDIT



NARINE MALAKYAN

Chief Internal Audit Officer

Narine Malakyan joined Acba bank as Head of Internal Audit in January 2024 and replaced Armen Varzhapetyan in this position.

Prior to that Narine served 12 years at the Central Bank of Armenia where she held positions of the head of Financial Audit and the head of People and Culture since 2020.

Narine have started her professional career in 2005 at Ernst & Young audit firm, where she initially held the position of an audit specialist and advanced to the role of a senior auditor.

Since 2016, Narine is a member of the Institute of Internal Auditors (IIA).

Narine has held the Association of Chartered Certified Accountants (ACCA) qualification since 2017 and obtained the Certified Internal Auditor (CIA) qualification in 2024.

CORPORATE SECRETARIAT



TATEVIK IGITYAN

Corporate Secretary

Appointment: Feb 2025

Skills and experience:

Tatevik Igityan has been with Acba bank since 2017, contributing her legal expertise within the Corporate Law Division of the Legal Department. She was promoted to Chief Specialist and Secretary of the Audit Committee in 2022 and was appointed as Head of Corporate Secretariat and Governance assistance division in March 2025. Prior to ACBA, she spent five years at Ardshinbank CJSC, where she provided legal support in both banking and corporate transactions.

Tatevik is a member of the Armenian chamber of advocates. She is a member of the Armenian Women on Boards Network of the Corporate Governance Center of Armenia. She also holds the European Board Diploma from ECODA, which she received in 2026.

ANNEX 6 – TOP MANAGEMENT



HAKOB ANDREASYAN

Chief Executive Officer

Hakob Andreasyan has an extensive background in banking, finance, and public administration. He joined Acba bank in 1996 and became part of the team responsible for the creation and development of Acba bank. For 18 years, he served as deputy CEO - Credit Director of ACBA. Hakob was appointed Chief Executive Officer in April 2014. Since September 2015, he is a member of the Executive Committee of the Confédération internationale du crédit agricole (CICA).

Hakob is also Chairman of Acba Leasing, Amundi-Acba Asset Management, the Alliance Française d'Arménie, as well as he is a board member of a number of Armenian-French organizations. In 2025 Mr. Andreasyan was appointed as a member of the Armenian Public Council.



NIKOLAY HOVHANNISYAN

Deputy CEO- Chief Operations Officer

Nikolay Hovhannisyan has extensive experience in the banking industry and was part of ACBA's management team during its creation and formation. Nikolay joined the ACBA team in 1996 and was the manager of the "Armavir" branch. In 2022 he was appointed as Deputy CEO.

Nikolay became Chief Operating Officer in July 2015, and previously served as Deputy CEO. He is also a board member of Acba Leasing since its establishment. From Nikolay is appointed as Chief Operations Officer, DCEO starting from March 2025.



STYOPA ZAKINYAN

Deputy CEO - CFO

Styopa Zakinyan became Chief Financial Officer in 2015. Since joining Acba bank in July 2000, his roles included branch credit officer, Head of Strategic Planning and Assets and Liabilities Management Department, Head of Assets and Liabilities Management and Dealing Office, Head of Department of International Relations and Asset and Liability Management.

In 2007, he received the degree of Candidate of Economic Sciences (macroeconomics and finance/credit). In 2023, Styopa Zakinyan received an Executive Master of Business Administration (EMBA) from the London Business School.



NORIK NAZARYAN

Deputy CEO- Chief Retail Business Officer

Norik Nazaryan joined Acba bank in 1998 and was appointed deputy of CEO in 2014, in charge of various areas of the Bank's activities. Prior to that, he had significant experience in sales and branch network management. In 2018 he was appointed as the deputy CEO in charge of sales promotion and regional management.

Starting from March 2025, Norik has taken on the role of Chief SME and Corporate Business Officer. In May 2026 Norik was appointed in the position of Chief Retail Business Officer, at the same time serving as DCEO of the Bank.



TIGRAN SIMONYAN

**Deputy CEO- Chief Digital Platforms
and Technology Officer**

Tigran Simonyan joined ACBA Bank in 2009 and has since held a number of senior management positions, including Head of IT Development Department, Head of Risk Management Department, and Head of Technical Tasks Development Department. In 2020, he was appointed Deputy CEO for Platforms and Technologies Development.

In parallel with his activities at ACBA Bank, Tigran is the Chairman of the Board of "IM AYDI" CJSC.

Since March 2025, he has been appointed Deputy CEO, assuming the position of Chief Digital Platforms and Technology Officer.

In 2026, Tigran graduated from INSEAD, one of the world's leading business schools, and received an Executive Master of Business Administration degree, further deepening his international leadership vision and strategic capabilities.



HAKOB HAKOBYAN

Chief SME and Corporate Business Officer

Hakob Hakobyan joined Acba bank in 2010. He held a number of managerial positions, including Head of the SME and Corporate Products Management and Sales Division and Head of the Sales Department.

In 2025, he was appointed Head of the Corporate Business Department, in March 2026 as acting Chief SME and Corporate Business Officer, and from May 2026 as Chief SME and Corporate Business Officer

He holds a degree in Management from the Armenian State University of Economics.

In 2020, he obtained a Level 5 Certificate in Management and Leadership from the Chartered Management Institute (UK), and in 2025, he completed a program in Strategy and Innovation at Saïd Business School, University of Oxford.

Hakob has over 15 years of experience in banking, specializing in SME and corporate business, sales management, and business development.



HOVHANNES NONOYAN

Chief Risk Officer

Hovhannes Nonoyan has over 10 years of experience in risk management and banking. He joined Acba bank in 2015 and has held several positions in financial risk management, including Head of the Financial Risk Management Division.

Since March 2025, he has been serving as Head of the Risk Management Department.

He holds a Bachelor's degree in Actuarial and Financial Mathematics and a Master's degree in Risk Management from Yerevan State University, where he also lectures.

He holds international certifications in Financial Risk and Regulation (GARP, 2019) and Financial Risk Manager (FRM Part 1, GARP, 2024).

In May 2026 Hovhaness was appointed as Bank's CRO.



ZARINE AZIZYAN

Chief Legal and Compliance Officer

Zarine Azizyan joined Acba bank in 2012 as a Legal Counsel. From 2016 to 2022, she served as Head of the Business Processes Legal Service Division, and since 2022, she has been the Head of the Legal Department, overseeing all legal matters of the Bank. In parallel, she also lectures at the RA Academy of Justice.

She holds a Master's degree in International Business Law from Jean Moulin Lyon 3 University and the French University in Armenia, along with a Bachelor's degree in Law.

In 2024, she earned a Level 7 Diploma in Strategic Management and Leadership Practice from the Chartered Management Institute, UK.

In 2025, she earned an ICA certificate in Compliance from International Compliance Association, UK.

Since March 2025, Zarine Azizyan has assumed the position of Legal and Compliance Director at Acba bank.

CMI and ICA member



ARMEN MELKUMYAN
Chief AML/CFT and Sanctions Officer

Armen Melkumyan joined Acba bank in 1997. Since 2002 he was heading the IT development department of the Bank. Armen was appointed as Head of Risk Management and Compliance in April 2020.

In March 2025 Armen was appointed as AML/CFT and Sanctions Director. Armen has MBA degree from American University of Armenia.

In 2022, he earned an ICA certificate in Trade Based Money Laundering from International Compliance Association, UK.



VAGHARSHAK ISKANDARYAN
Chief Information and Cyber Security Officer

Vagharshak Iskandaryan joined Acba bank in 2011 as an Information Security Specialist.

He holds a Master's degree in Information Security from the State Engineering University of Armenia.

In 2020, he was promoted to Head of the Information Security Division, leading efforts to strengthen security protocols and information and cyber security risk management.

In 2025, Vagharshak was appointed Information and Cyber Security Director, overseeing cybersecurity strategy and protecting the organization's assets.

Throughout his career, he has remained dedicated to advancing information security and enhancing organizational resilience.



ZORAYR SARGSYAN

Chief Credit Committees and Analysis Officer

Zorayr Sargsyan began his professional journey at Acba bank in 2005 as a Credit Officer. In 2014, he was appointed Head of the Credit Analysis and Committee Approval Division, and from 2018 to 2025, he served as the Head of the Credit Analysis Department.

He holds a Master's degree in Finance and Credit from the Armenian State University of Economics and has further strengthened his leadership credentials with a Level 5 Management and Leadership certificate from the Chartered Management Institute (UK), completed in 2020.

In March 2025, Zorayr has taken on the role of Chief Risk Officer.

In May 2026 Zorayr was appointed as Credit Committees and Analysis Director.



ARSEN ABRAHAMYAN

Chief HRM and Organizational Development Officer

Arsen Abrahamyan began his career at Acba bank in 1999 as an Accountant. In 2010, he was appointed Head of the HRM Division, and since 2015, he has been leading the Bank's HR function as the Head of the Human Resource Management Department.

He holds a Bachelor's degree in Economics from the Cooperative-Economics Institute and earned a Level 7 Diploma in Strategic Management and Leadership from the Chartered Management Institute in 2020.

Since March 2025, Arsen Abrahamyan has assumed the position of Human Resources and Organizational Development Director.



ARMEN HAKOBYAN

Chief Accounting Officer

Armen Hakobyan has been with ACBA Bank since 1998, and in 2015 he was appointed as Chief Accountant. Previously, he was the Deputy Chief Accountant of the Bank, as well as the Chief Accountant of ACBA Leasing and Amundi-ACBA Asset Management companies.

He teaches at the Armenian State University of Economics, is a Doctor of Economics, and holds the academic title of Professor. He is the author of about 100 scientific publications in the field of accounting, financial management, and auditing.

Armen Hakobyan is a member of the Chamber of Auditors and Expert Accountants of the Republic of Armenia, has the qualification of an expert accountant, is a member of the same Chamber as well as the Qualification Committees of the Eurasian Group of Accountants and Auditors and the Accounting Committee of the Chamber.

He has participated in numerous international conferences and qualification improvement courses in the Republic of Armenia, Lebanon, the Czech Republic, Austria, France and the United Kingdom.

ANNEX 7 – EXTERNAL AUDITOR

The bank's external auditor for the financial year ended 31 December 2025 was PricewaterhouseCoopers Armenia LLC (PwC).

In accordance with the terms of engagement, the contractual fee for the provision of external audit services amounted to **AMD 57 240 000 (fifty-seven million two hundred forty thousand)**. This information is disclosed in the Acba bank OJSC IFRS Consolidated Financial Statements and Independent Auditor's Report as of 31 December 2025.

ASSESSMENT OF AUDITOR INDEPENDENCE

PPwC is independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code).

In alignment with the Bank's approach to maintaining auditor independence, the Audit Committee is entrusted with the following responsibilities:

- ▶ Overseeing the implementation of the policy by management regarding the engagement of the external auditor for non-audit services, ensuring compliance with applicable regulatory requirements;
- ▶ Pre-approving any non-audit services proposed to be provided by the external auditor.

As a result of implementing such a supervisory function, no instances of independence violations have been recorded.

Furthermore, PwC declares its independence during the Bank's Audit Committee meetings, which further reinforces its commitment to the relevant ethical standards and ensures the auditor's independence is maintained throughout the engagement.

ANNEX 8- BOARD COMMITTEE REPORTS

GOVERNANCE, NOMINATIONS AND REMUNERATION COMMITTEE ANNUAL REPORT 2025

In 2025, the Governance, Nominations, and Remuneration (GNR) Committee continued to strengthen the Bank's corporate governance framework, with a particular focus on advancing group governance practices, enhancing succession planning, and reinforcing performance management through the approval of key performance indicators for top management. The finalization of the Group Governance Policy and the completion of the Board and Committee self-assessment process marked important steps toward improving governance consistency, accountability, and effectiveness across the organization.

At the same time, the Committee acknowledges that further development is required to ensure a more robust and fully integrated governance framework. In this regard, the priorities for 2026 are centered on deepening compliance with the Corporate Governance Code, including the preparation and publication of the Corporate Gover-

nance Annual Statement, as well as further strengthening remuneration methodologies through the introduction of long-term incentives and risk-based approaches.

Additional focus will be placed on further strengthening governance frameworks and leadership continuity, as well as enhancing the effectiveness of internal processes and oversight mechanisms. The Committee will continue to promote transparency, accountability, and alignment with the Bank's strategic objectives, ensuring a consistent and sustainable approach to governance development.

Sincerely,
Bruno Charrier
Chair
GNR Committee

1. FOCUS AREAS FOR 2025

In 2025, the GNR Committee focused on the following key areas:

1. CORPORATE GOVERNANCE CODE COMPLIANCE

MONITORING: Recognizing the importance of compliance with Corporate Governance Code requirements, the ongoing monitoring was conducted throughout 2025 and it was ensured regular reporting on compliance status.

2. GROUP GOVERNANCE: Further strengthening of the Group Governance framework, building on its introduction in 2024, including the alignment of Board and Committee compositions, internal control responsibilities, and regulatory frameworks.

3. SUCCESSION PLANNING: Taking important steps to develop an emergency succession planning framework for top management roles, as well as initiating the first steps toward Board succession planning.

4. KPIs: Approval of key performance indicators for top management, with a focus on ensuring alignment with the Bank's strategic objectives, enhancing performance accountability, and supporting effective monitoring of results.

5. BOARD SELF-ASSESSMENT: Completion of the Board and its committees' self-assessment process, aimed at identifying strengths and areas for improvement and defining actions to enhance governance practices.

2. PRIORITIES FOR 2026

1. Compliance with the Corporate Governance Code: Oversight of actions required to support the continuous enhancement of the Bank's corporate governance framework, including the preparation and publication of the Corporate Governance Annual Statement.

2. Remuneration Framework: Review and enhancement of KPIs and underlying methodologies, including the introduction of long-term incentives (LRIs) and the integration of risk-based remuneration principles.

3. Succession Planning: Consideration of succession of board members and, if necessary, other important key leadership positions.

4. Board Members' Training: Identification of training needs and structured planning of development programs for Board members, aimed at strengthening competencies and enhancing overall governance effectiveness.

5. Board Self-Assessment: Organization and further development of the Board and its Committees' self-assessment processes, with a focus on continuous improvement of governance effectiveness.

6. Enhancement of HR Processes: Review and continuous improvement of HR processes and frameworks to support effective talent management, organizational efficiency, and alignment with the Bank's strategic objectives.

7. Enhancement of GNR Reporting to the Board: Strengthening and refinement of reporting processes to the Board, ensuring greater transparency, clarity, and alignment with governance standards.

3. MEETINGS, MEMBERSHIP, AND ATTENDANCE

3.1. NUMBER OF MEETINGS in 2025: 10 meetings



3.2. Membership & Attendance In 2025:

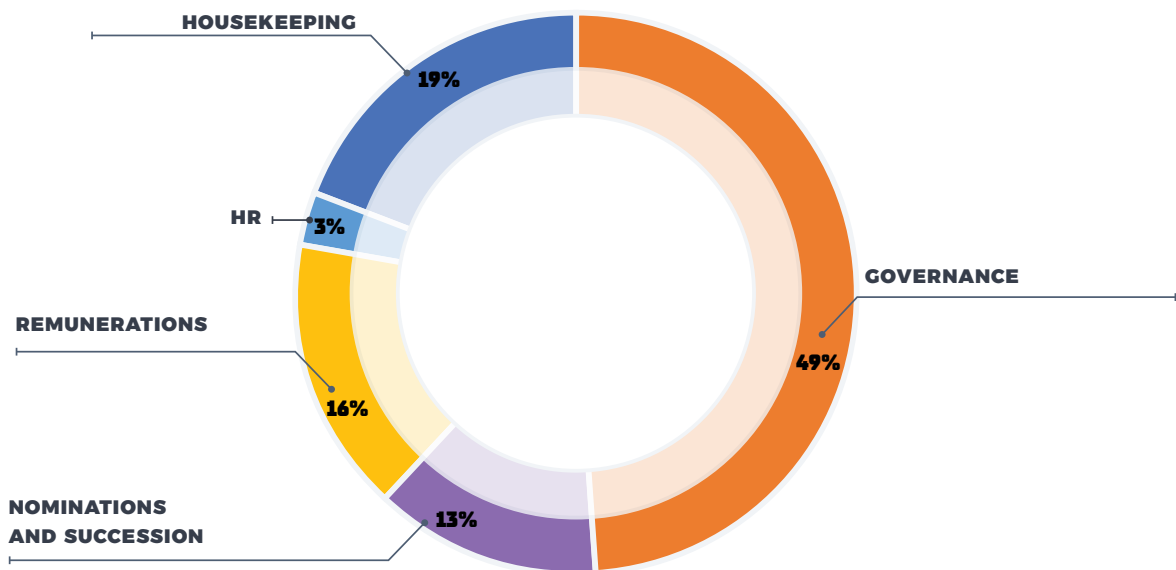
Name and position	Attendance
Bruno Charrier (Chair)	10/10
Rafayel Sargsyan (Member)	10/10
Aram Babayan (Member)	10/10
Henrik Kochinyan (Member)	5/10
Harutyun Pakhchanyan (Member)	8/10

4. GNR COMMITTEE REMIT

The Governance, Nominations and Remunerations Committee has been delegated by the Board of the Bank its functions for matters related to governance, nomination and remuneration to Committee, in particular, for:

- **I.** Overseeing and monitoring the corporate governance framework of the Bank and making recommendations to the Board to ensure that the framework is consistent with corporate governance standards and best practice.
- **II.** Assisting the Board in keeping the composition of the Board and its committees under review and to lead the process for nominations to the Board and its committees.
- **III.** Overseeing a continuous and proactive process for planning and assessment of candidates to ensure plans are in place for the orderly succession for members of the Board, Group Executive and other senior appointments within the Bank.
- **IV.** Being satisfied that good remuneration frameworks and practices are in place for the Bank’s workforce.

5. THE GNR COMMITTEE TOPIC AREA COVERAGE IN 2025



6. THE FOCUS AREAS 2025 IN MORE DETAIL

6.1. GROUP GOVERNANCE

One of the primary objectives of the GNR Committee in 2025 was the finalization and implementation of the Group Governance action plan, aimed at strengthening governance across the Bank and its subsidiaries (the "Group"). This initiative focused on:

- ▶ Establishing a unified governance structure across the Group
- ▶ Clearly defining roles and ensuring consistent management across the Group
- ▶ Implementing unified control mechanisms and aligning responsible functions across the Group
- ▶ Defining clear decision-making authority at all levels
- ▶ Introducing a Group Reporting Policy, including the definition of mandatory reports, responsible parties, recipients, and reporting frequency
- ▶ Establishing Group policies to ensure the effective implementation of processes across the Group
- ▶ Strengthening Group governance through the alignment of Board composition

Throughout the year, these governance enhancements were mainly embedded within the Bank's operational and strategic framework, with further development perspectives in 2025.

6.2. SUCCESSION PLANNING

Recognizing the importance of leadership continuity, the Committee took significant steps toward developing a structured succession planning framework, with a particular focus on emergency succession arrangements. Key initiatives included:

- ▶ Development and approval of an emergency succession governance protocol to ensure business continuity in unforeseen situations
- ▶ Continuous dialogue with the CEO on his succession planning to support leadership continuity. Initiation of the first steps toward Board succession planning, with a focus on independent Board members and the Chair

The Committee aimed to ensure that the evolving succession planning framework be aligned with the Bank's long-term strategic objectives, supporting leadership stability and operational resilience.

6.3. KPIS AND REMUNERATION FRAMEWORKS

A critical component of the Committee's work in 2025 was the development and approval of key performance indicators (KPIs) for top management.

Key actions included:

- Approval of KPIs for top management, ensuring alignment of executive performance with the Bank's long-term strategic objectives
- Establishment of clear and measurable performance criteria to enhance accountability and transparency
- Alignment of KPIs with the Bank's strategic priorities and key business objectives
- Monitoring of KPI performance to ensure progress is effectively tracked and managed
- Strengthening the linkage between performance outcomes and decision-making processes

These initiatives were undertaken with the aim of enhancing leadership effectiveness, improving performance oversight, and ensuring a structured and transparent approach to performance management.

6.4. BOARD MEMBERS' SELF-ASSESSMENT

One of the key achievements of 2025 was the organization and completion of the Board members' self-assessment process. The process included:

- Conducting a comprehensive self-assessment of the Board and its Committees by all Board members
- Identifying key strengths and areas for improvement within the Board and its Committees
- Developing an action plan based on assessment results to enhance governance processes
- Supporting a structured and objective evaluation of Board effectiveness and performance

These initiatives contributed to strengthening governance effectiveness, promoting continuous improvement, and enhancing the overall performance of the Board and its Committees.

AUDIT COMMITTEE ANNUAL REPORT 2025

The Audit Committee's Annual Report for 2025 provides a comprehensive overview of its activities and key areas of focus, in line with the responsibilities assigned to the Committee.

During 2025, the Audit Committee concentrated its efforts on several key areas within its oversight scope. These included monitoring financial reporting processes and providing recommendations aimed at improving governance effectiveness, maintaining regular interaction with the external auditor to ensure an independent and high-quality audit, supporting the implementation of the internal audit improvement program, as well as thoroughly reviewing and monitoring the gap analysis of Internal Control over Financial Reporting (ICFR) and the related management action plan, both at the Bank and at ACBA Leasing CO CJSC.

Through these efforts, the Committee aimed to strengthen the internal control environment and the overall governance framework of the Bank's Group.

Sincerely,
Ashot Karapetyan
Chair
Audit Committee
Sona Ishkhanyan
Former chair of the Audit committee

1. KEY FOCUS AREAS IN 2025

FINANCIAL REPORTING

Carrying out necessary activities related to financial reporting within the Committee's mandate, including providing recommendations to management on improving financial reporting governance and monitoring the implementation of such recommendations.

EXTERNAL AUDIT

Holding regular meetings with the external auditor for planning and execution of the annual audit, as well as assessing the auditor's independence, objectivity, and overall audit quality and effectiveness.

Introduction and implementation of a new, more transparent procedure for the selection of the external auditor.

INTERNAL AUDIT

Providing continuous support to the internal audit improvement program and, where necessary, overseeing internal audit activities.

The internal audit improvement program includes enhancement of internal methodologies and processes, as well as alignment with the Global Internal Audit Standards in the future.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Review of the ICFR gap analysis conducted in the Bank and continuous monitoring of the implementation of the related management action plan.

Initiation of the development of an ICFR framework at ACBA Leasing CO CJSC and monitoring of the process.

BUDGETING POLICY

The Committee's charter was amended to explicitly assign responsibility for the Group's budgeting policy to the Audit Committee.

ANNUAL BUDGET

Approval of the Group’s annual budget was assigned to the Committee within the framework of ensuring financial reporting consistency.

BUDGET PERFORMANCE

Ongoing efforts have been undertaken and continue to improve budget performance processes.

2. PRIORITIES FOR 2026

- Oversee the implementation of the improvement program, including the Quality Assurance and Improvement Program (QAIP), as well as periodic self-assessments to ensure compliance with applicable standards and internal audit guidelines.
- Maintain strict oversight over financial reporting governance improvements to ensure the integrity and transparency of financial reporting processes.
- Continuously monitor budget performance.
- Oversee the external auditor selection process and select a new external auditor through a competitive tender process.

3. MEETINGS, MEMBERSHIP AND ATTENDANCE

3.1. Number of meetings in 2025: 9



3.2. Membership and attendance in 2025:

Name and position	Attendance
Klaus Gressenbauer (former Chairman)	2/9
Sona Ishkhanyan (new Chair)	4/9
Rafayel Sargsyan (member)	9/9
Vardan Urutyan (member)	9/9

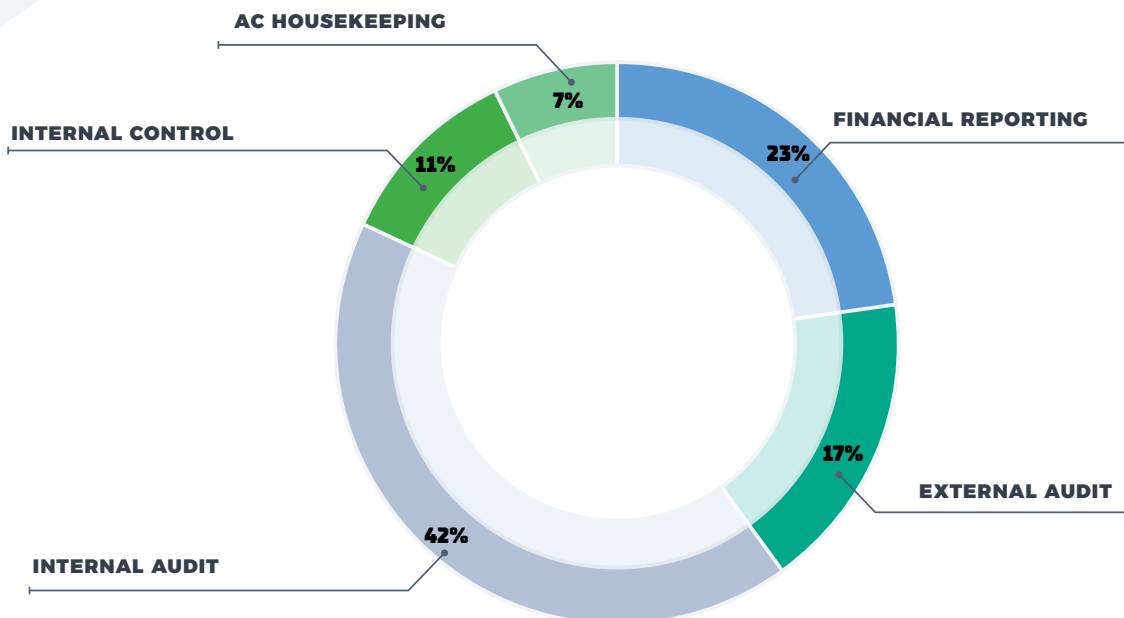
4. AUTHORITY OF THE AUDIT COMMITTEE

The Board of the Bank has delegated to the Audit Committee oversight responsibilities related to financial reporting and internal financial control, including review of:

- **1)** The integrity of financial statements, official announcements, and disclosures related to financial results;
- **2)** The effectiveness of the internal audit function and the external auditor;
- **3)** The effectiveness of internal control systems over financial reporting;
- **4)** Other matters that may be referred to the Committee by the Board.

5. DISTRIBUTION OF MATTERS COVERED IN 2025

(Distribution based on the proportion of time allocated to respective topics)



6. KEY AREAS OF FOCUS IN 2025

6.1 FINANCIAL REPORTING

In order to fulfill its responsibilities regarding the 2024 financial statements, particularly ensuring their integrity, the Committee requested and received the following information from management:

- Changes in the regulatory environment and their impact on the ACBA Group;
- Details of complaints and breaches of conduct rules related to ACBA Bank and ACBA Leasing during 2024, including changes made to the relevant processes;
- Information on suspected, alleged, or actual fraud, as well as ongoing litigation involving ACBA Bank and ACBA Leasing;
- Any changes in the application of the three lines model, its current status, and planned developments;
- Changes related to the whistleblowing system;
- Internal audit observations regarding implementation of actions arising from the external auditor's prior-year management letter;

- Any internal audit observations since 2024 related to the integrity and preparation of financial statements;
- Information on the bonus and incentive system applied in the Bank.

During the reporting period, the Audit Committee thoroughly reviewed all matters within its authority and initiated necessary steps to provide timely and well-reasoned assessments to the Board, supporting informed decision-making and strengthening the governance framework.

The Committee acknowledges that there is still potential for further improvement in financial reporting processes and continues to maintain oversight to ensure their effective development.

In 2025, the Committee held five meetings with external auditors, focusing on preparatory activities for the beginning of 2026 and aligning efforts with upcoming objectives.

6.2 EXTERNAL AUDIT

To ensure an effective financial reporting process, the Audit Committee focused on aligning the external auditor's work with the Group's reporting timeline.

Matters discussed included:

- Consolidated financial statements for 2024;
- Draft and final versions of the auditor's opinion;
- Management letter and recommendations;
- Review of interim results;

- Key issues arising during the audit that could impact audit outcomes;
- Planning of the 2025 annual audit;
- Audit approach applied by the audit firm.

Within its mandate, the Committee also reviewed the external auditor's obligations related to non-audit and additional audit services provided to the Bank and its subsidiaries. No threats to independence were identified.

6.3 INTERNAL AUDIT

The Audit Committee continued to play a key role in ensuring the independence, effectiveness, and development of the internal audit function as the Bank's third line of defense.

In 2025, the Committee:

- Worked closely with the internal audit team and actively participated in improving internal audit processes;
- Regularly reviewed and approved the internal audit annual plan and monitored its implementation;
- Ensured that the annual plan meets minimum internal audit requirements established by the Central Bank of Armenia (Regulation 4);
- Monitored the effectiveness of risk management, internal control, and governance processes, as well as

compliance of internal control systems with regulatory minimum requirements.

Following the adoption of the Group governance policy, the Committee supported the expansion of internal audit coverage to ACBA Leasing, strengthening assurance at the Group level.

Efforts were also made to enhance coordination between the second and third lines of defense by aligning risk assessment methodologies and oversight approaches.

To ensure compliance with international auditing standards, a gap analysis was conducted and an action plan was developed to address identified gaps.

Additionally, the Committee approved a performance evaluation system for the internal audit function, including both quantitative and qualitative criteria.

6.4 INTERNAL CONTROL OVER FINANCIAL REPORTING

In 2025, the results of the ICFR gap analysis initiated in 2024 and conducted by an external consultant were finalized, and the corresponding management action plan was presented.

The Committee regularly reviews the progress of this plan to ensure its proper implementation.

The analysis highlighted the development of a more structured and robust ICFR framework within the Bank.

In 2026, the Committee continues to expand its oversight to include ICFR at the Group level.

RISK MANAGEMENT COMMITTEE ANNUAL REPORT 2025

On behalf of the Board Risk Management Committee, I am pleased to present the Committee's annual report for 2025, a year that has been marked by a relative macroeconomic stability in Armenia but yet warranted sustained prudence amid evolving conditions. I would also like to express my sincere gratitude to the Bank's Executive Management, Risk Management Directorate, Legal and Compliance Directorate, Financial Directorate, AML/CFT and International Sanctions Directorate, as well as IS and CS Directorate for their professionalism, close cooperation, and unwavering commitment throughout the year.

The Bank operated in a particularly interesting macroeconomic environment throughout the year. At the beginning of 2025, economic growth showed signs of acceleration, reaching approximately 5.2% in the first quarter, despite weakening external demand. At the same time, Central Bank of Armenia monetary policy reports indicated signals of relatively subdued internal demand, reflected in the concentrated nature of economic growth, a continued decline in remittance inflows, gradual softening in labor market conditions, and a persistently low inflation environment. Economic activity was primarily supported by strong performance in the construction and services sectors. Growth in the services sector was largely driven by the financial and insurance activities. Reports published by the Ministry of Finance indicate that financial intermediation within the banking system expanded at a pace exceeding overall economic activity, suggesting strong

intermediation dynamics and sustained demand for financial services relative to the broader economy. Toward the end of the year, economic growth showed further acceleration, supported by improving external demand, while uncertainties regarding the sustainability of internal demand persisted. Overall, the year was characterized by generally positive macroeconomic trends albeit with mixed signals regarding the breadth and sustainability of underlying domestic demand.

In 2025, the Bank continued to grow its profitability and loan portfolio, while maintaining strong capitalization and liquidity positions well above regulatory minimum requirements. This performance was achieved in the context of a supportive yet mixed macroeconomic environment. Throughout the year, the Bank maintained disciplined credit underwriting and continuously monitored asset quality, ensuring that portfolio expansion remained consistent with sound risk management practices. Capital and liquidity positions continued to serve as robust safeguards against potential volatility, reflecting the Bank's commitment to maintaining resilience amid changing market conditions.

Sincerely,
Ashot Karapetyan
Chair
Risk Management Committee

1. 2026 PRIORITIES

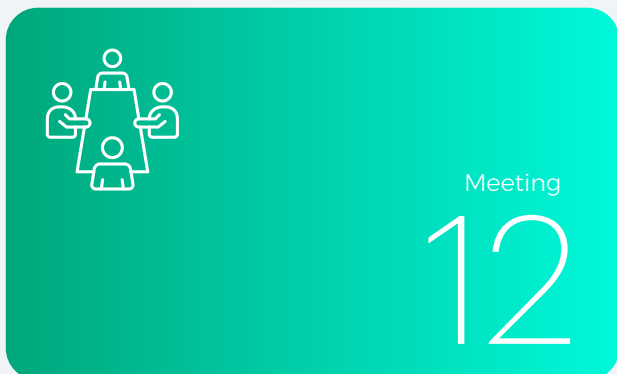
Looking ahead, the Committee will continue to oversee key enterprise risks affecting the Bank and its subsidiary. Our strategic priorities for the coming year include:

- Oversight and coordination of the SREP process
- Interest Rate Risk in the Banking Book (IRRBB) Management system
- Market Risk Management
- Fraud Risk Management

I would like to extend my sincere appreciation to my fellow Committee members for their active engagement and insights, and to the Bank’s risk, compliance, financial security, and treasury teams for their professionalism and dedication throughout the year.

2. COMMITTEE COMPOSITION, MEETINGS & ATTENDANCE

2.1. Meetings in 2025



The Committee convened 12 times in 2025. Meetings were attended by Committee members, the Chief Executive Officer, Chief Financial Officer, and key heads of risk, compliance, legal, and treasury functions. The Committee Chair also held ad hoc discussions outside formal meetings with key stakeholders to review critical matters.

2.2. Attendance Record

Name and position	Attendance
Ashot Karapetyan (Chair)	12/12
Bruno Charrier (Member)	12/12
Rafayel Sargsyan (Member)	12/12
Harutyun Pakhchanyan (Member)	2/12 <small>(Due to termination as an RMC member)</small>

3. COMMITTEE REMIT

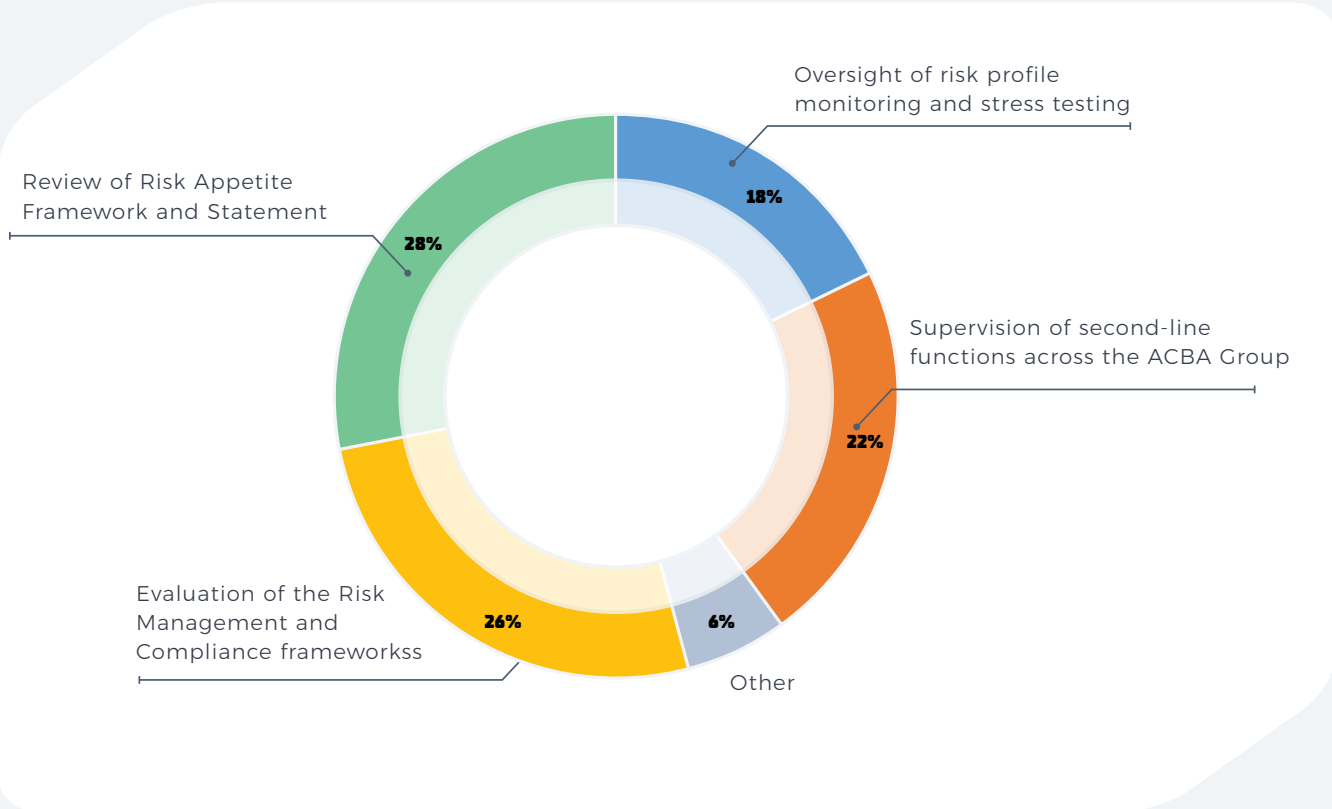
3.1. RESPONSIBILITIES

As defined in its charter, the Committee is responsible for oversight of enterprise-wide risk and the internal control environment, excluding internal financial controls. Key duties include:

- Review and recommendation of the Bank's Risk Appetite Statement and Framework
- Oversight of risk profile monitoring and stress testing

- Evaluation of the Risk Management and Compliance frameworks
- Supervision of second-line functions across the ACBA Group

3.2. REMIT COVERAGE



4. FOCUS AREAS DURING 2025

Topic	Conclusion / Action Taken
<p>RISK PROFILE MONITORING</p>	<p>The Committee maintained close oversight of the Bank's risk profile. At the outset of the year, it oversaw the ICAAP assessment results and conducted the annual review of the Bank's Risk Appetite Statement (RAS). Following the Bank's annual AML/CFT strategic risk assessment, new AML/CFT risk appetite indicators were incorporated into the RAS. Throughout 2025, the Committee regularly reviewed reports on ALM, financial risk management, AML/CFT and international sanctions, as well as operational risk management. Particular attention was given to information security and cybersecurity risks. In this regard, the Committee initiated the establishment of a periodic Board-level reporting framework on IS and CS risks, to be presented by the IS and CS Director in their capacity as an independent control function. The Committee reviewed and pre-approved the format of this report, and, starting from the third quarter of 2025, has been receiving these reports on a regular basis.</p>
<p>ENHANCEMENT OF COMPLIANCE FUNCTION</p>	<p>2025 was marked by significant compliance reforms. A new Compliance Program was adopted, followed by the introduction of a Compliance Policy, Compliance Strategy, and Compliance Action Plan. These initiatives placed particular emphasis on strengthening regulatory compliance, establishing a dedicated compliance monitoring function, enhancing the framework for identifying and managing conflicts of interest, as well as elevating compliance culture. The Committee also received periodic compliance reports covering material incidents of non-compliance, major legislative amendments, performance of the compliance action plan and compliance culture reviews.</p>
<p>APPROVAL OF KEY RISK MANAGEMENT FRAMEWORKS AND POLICIES</p>	<p>The Committee approved the Operational Risk Management Framework, elevating the operational risk management function to a more advanced and structured level. The framework is aligned with international best practices and covers key components such as the taxonomy of operational risk events, risk and control self-assessment (RCSA), key risk indicators (KRI), and the roles and responsibilities of governing bodies and organizational units. In addition, the Committee approved several other key risk management documents, including the Risk Management Framework, Credit Risk Management Policy, and Liquidity Risk Management Policy, all developed in line with the same standards.</p>
<p>NEW CREDIT RATING MODEL.</p>	<p>The Committee reviewed and approved a new credit rating model for corporate lending, which provides a more comprehensive framework and enhances the robustness of credit risk assessment within the corporate portfolio.</p>
<p>MODEL VALIDATION REVIEWS</p>	<p>The Committee also reviewed the validation of certain key models applied by the Bank. The validations were conducted by an independent model validator, and their results - including key findings, underlying assumptions, and any identified limitations - were presented to the Committee for its consideration.</p>

In 2025, the Committee maintained strong and effective oversight of the Bank's risk profile, supporting disciplined growth while ensuring resilience in a dynamic macroeconomic and regulatory environment. Looking ahead, the Committee remains committed to further advancing risk oversight, supporting the continuous development of risk, compliance and AML/CFT functions as well as ensuring that the Bank sustains a prudent and forward-looking approach to risk management in line with its strategic objectives

STRATEGY COMMITTEE ANNUAL REPORT 2025

In October 2024, the Board of Directors decided to set up a Strategy Committee. The objectives and the composition of this committee have been finalized at the end of 2024, but the effective work started in 2025, with a first meeting on 19th February 2025.

What is the goal of this Strategy Committee? This Committee is intended at defining, in close cooperation with the management, the overall long-term objectives of the Bank and to ensure that the implementation of these objectives is being secured, to the extent possible, by a detailed and consistent implementation plan. Strategy is about defining the overall goals – some will call these the “mission statement” of the company, but it is also about planning, about forecasting the necessary and realistic steps to achieve these goals. This is why strategy is often associated with financial planning.

At ACBA, we decided to take a pragmatic approach to address this topic. Instead of starting with the design of a possible long-term vision of what the Bank can look like – defining the expected profile of the company ten years

from now, we preferred to identify a limited number of priority topics, which will be used as “building blocks” in order to progressively build this long-term vision. It is indeed very difficult to have a precise idea of what we will be in 2035 or so: the banking environment will probably drastically change, the geopolitical and economic environment is highly volatile, many uncertainties remain.

Therefore, we started our strategic thinking from the client. ACBA implemented, early 2025, a new organization, which is fully client-segment focused. We want our strategic process to be consistent with this approach and concentrate on the understanding of the needs and expectations of our clients, the expected evolution of these expectations and the way ACBA can address and anticipate the best we can.

Sincerely,
Bernard de Wit
Chair
Strategy Committee

1. STRATEGY COMMITTEE REMIT

The Strategy Committee has been delegated by the Board of the Bank its functions for matters related to the following:

- 1) Overall Corporate Purpose of the Bank
- 2) Key Business Priorities and Goals
- 3) Financial Planning and Performance monitoring
- 4) Equity, Key partnerships and M&A
- 5) Technology and Cyber Security
- 6) ESG Principles

2. FOCUS AREAS FOR 2025

Taking the aforementioned approach into account, the Strategy Committee has defined the following list of priority topics, we have been addressing in 2025:

1. Evolution of each major client segment (Retail, SME, Corporate and Agro): starting from the understanding of the client's needs, we assess the possible ways to address them and to become/remain the preferred banking partner for each of them. This refers to the product and service offer, the client relationship organization (through branches and/or digital tools), the pricing and risk policies, our differentiation factors compared to competitors, ... This enables the management, together with the Strategy Committee, to build a "client segment business strategy". These "building blocks" will be combined, ensuring proper synergies and consistency between segments, to define the long-term business positioning of ACBA.

2. Enlargement of the equity of the Bank:

Regulators, in Armenia as all over the whole world, are more and more demanding regarding the required level of equity to develop banking activity. It is key for ACBA to enlarge its shareholders' base. Leveraging on the strength of the ACBA Federation, which represents an extremely stable and reliable controlling shareholder, the Strategy

Committee is looking into ways to broaden the equity base. Improving the Investors' relationship and the related communication will increase the attractiveness of ACBA's share. Looking for some new institutional investors, such as PROPARCO which has been a shareholder since 2024, will diversify and reinforce the quality of our equity. The Strategy Committee has been considering various options, in the course of 2025, to reach this target.

3. Financial planning and optimization of scarce resources: in a rapidly growing banking market, any bank must ensure it has sufficient liquidity to fund its lending capacity and appropriate equity capital to cover the regulatory requirements. Ensuring this overall balance between these main financial parameters is key in order to enable the Bank to run its business development. The Strategy Committee has been working the Finance team of the Bank for further enhancing the models used to forecast and monitor the evolution of the main financial ratios, for optimizing the overall profitability and risk profile of the Bank and for prioritizing the needed investment. This new tool has been used, for the first time, for building the 2026 budget.

4. ESG-profile of the Bank: at ACBA, we are convinced that Banks have a key responsibility in the way ESG-criteria are taken into account in the development of the economy. Banks have to take some leadership role in this area and pave the way for a sustainable development of the country. This is a complex and sensitive issue. The Strategy Committee has worked for selecting a limited number of concrete and measurable objectives the Bank can set to effectively implement some steps towards better sustainability. We are looking for avoiding general statements or communication-driven initiatives. We prefer to concentrate on rather simple actions with short-term concrete benefits. On such a controversial matter, the Strategy Committee cares that the Bank "effectively does what it says, and says what it does".

5. Key IT and digital investment and related risk:

the rapid evolution of the channels used for client interaction entails that the Bank heavily invests on digital tools. This is a must for the quality of the client relationship. This is a must as well for ensuring the efficiency of our operational set-up. This is why the IT-investment and the digitalization of the banking processes have become a “strategic topic”. The Strategy Committee intends at ensuring consistency between the technical choices of the Bank and the expected evolution of the client-interaction pro-

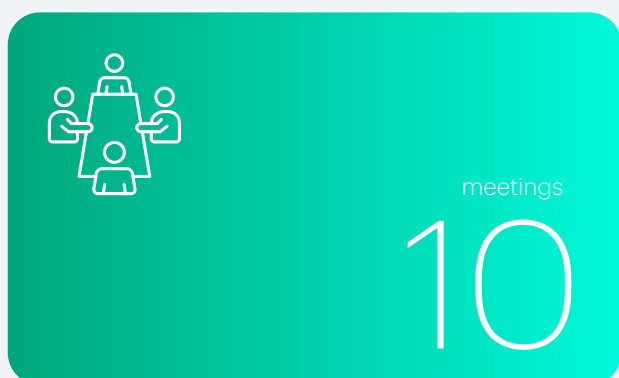
cess. In 2025, the Committee looked into several important IT-investment projects, agreed with the management on KPI’s to effectively measure the expected outcome/improvement from these projects and will be following the implementation thereof. The Strategy Committee is also focusing on the appropriateness of the Cyber-security set-up. A first review was conducted in 2025. Regular updates will take place. Progress has been made on each of these five priority topics.

3. PRIORITIES FOR 2026

Since all the Focus Area topics are complex, the Committee intends to work further in 2026, in cooperation with the Management of the Bank, to further develop our conclusions and action plans on the above-mentioned priority topics. A limited number of additional topic could be added to this list, depending on the evolution of the banking environment.

4. MEETINGS, MEMBERSHIP AND ATTENDANCE

4.1. NUMBER OF MEETINGS in 2025: 10 meetings



4.2. Membership & Attendance In 2025:

Name and position	Attendance
Bernard de Wit (Chair)	10/10
Ashot Karapetyan	10/10
Aram Babayan	10/10
Bruno Charrier	10/10
Gayane Ayrapetyan	10/10
Sona Ishkhanyan (since December 2025)	0

ANNEX 9 – Corporate Governance Annual Statement

**For The Companies At Phase Iii Of Corporate Governance Progression Matrix Annual Declaration Format*

CHAPTER I.

The basic rights of participants, equal treatment of participants and important responsibilities of participants

PRINCIPLE

I.1.

Right of participant to participate in the governance of the organization

The Organization shall be obliged to ensure equitable and fair treatment of all holders of the same type (class) of shares in order to effectively exercise their rights to participate in the organisation’s governance, vote, formulate well-reasoned positions concerning the items on the meeting agenda, and make informed decisions.

	Clause	Status of Compliance	Expalation
I.1.1.	The participant should recieve a proper notification of the date, place, format and agenda of the General Meeting at least 21 days before the date of the General Meeting, as well as should have the opportunity to review draft resolutions, documents and other necessary information that will be discussed at the general meeting.	Compliant	
I.1.2.	The venue and date (time) of convening the general meeting should not limit the participant’s participation in general meeting.	Compliant	
I.1.3.	The rules and procedures of the general meeting ensure equal treatment of owners of shares of the same type (class).	Compliant	
I.1.4.	The rules of the general Meeting ensure proper counting and accounting of votes at the general meeting, as well as timely publication of voting results.	Compliant	

	Clause	Status of Compliance	Expalation
1.1.5.	The rules and procedure of the general meeting are published on the compnay's website.	Compliant	
1.1.6.	Regardless of the voting procedure, the participants' votes are given equal importance.	Compliant	
1.1.7.	At the general meeting, the participant has the opportunity to pose questions to the members of the board and the executive body, the auditor and receive an answer.	Compliant	
1.1.8.	At the general meeting the participants shall have an opportunity to communicate during the general meeting with each other if it is necessary for making a decision on the issue put to a vote or for clarifying the nature of the issue.	Compliant	
1.1.9.	The organization balances between a joint presence and the convening of remote general meetings.	Compliant	

PRINCIPLE

1.2.

Right of the participant to nominate candidates for the members of the Board of the organisation

The corporate governance framework of the organization should promote the effective participation of the participant in the process of nominating candidates for members of the Board and the election of members of the Board.

	Clause	Status of Compliance	Expalation
1.2.1.	The Participant shall, within a reasonable period of time, receive complete and adequate information regarding the professional qualifications and experience of the candidates for membership of the Board, their positions held in the past and at present, as well as their status as a significant participant in the Organization and in persons affiliated thereto.	Compliant	

PRINCIPLE

I.3.

Remuneration policy of the Board and executive body of the organization thereof

The participant shall have an opportunity to express an opinion on the remuneration of the Board and executive body, including by voting at the general meeting.

	Clause	Status of Compliance	Expalnation
I.3.1.	The Organization shall have a remuneration policy and procedures for the Board and the Executive Body, which reflect the link between the remuneration of the Board and the Executive Body and the long-term performance of the Organization, including sustainability targets.	Partially Compliant	We substantially comply with this requirement. The Bank has established remuneration policies and procedures for the Board and the Executive Body. For the Executive Body variable remuneration is linked to performance assessment. At the same time, it should be noted that the explicit and fully institutionalized linkage between remuneration and long-term performance, is not yet fully developed. This area is recognized as an opportunity for further enhancement, with the aim of strengthening the alignment between remuneration and long-term value creation.
I.3.2.	The remuneration policy, remuneration schemes and amendments to them of the Board and the executive body shall be approved by the general meeting upon the proposal of the Board, unless such authority is reserved to the Board in respect of the executive body.	Compliant	
I.3.3.	The policies for remuneration of the Board and executive body should be disclosed on the website of the organization.	Compliant	

PRINCIPLE

I.4.

Right of the participant to receive a dividend

The organisation should to ensure equitable and fair treatment of all holders of the same type (class) of shares to participate in the distribution of profits of the organisation through the receipt of dividends.

	Clause	Status of Compliance	Expalanation
I.4.1.	The Board has developed and approved a dividend distribution policy, which includes the minimum pay-out ratio of dividends.	Compliant	
I.4.2.	The policy of dividend payments should be published on the website of the organisation.	Compliant	
I.4.3.	The procedures for dividend payments ensure equitable treatment of holders of the same type (class) of shares.	Compliant	

PRINCIPLE

I.5.

Obligations of a significant participant

The organization should protect participants with small shareholding from abuses committed in the interest of, or directly by significant participants.

	Clause	Status of Compliance	Expalanation
I.5.1.	The significant participant of the organization discloses his or her potential significant interest in acting directly or indirectly or on behalf of third persons in transactions concluded with the organisation or in matters directly affecting the organisation and refrain from participating in decision-making related to the given transactions or matters.	Compliant	
I.5.2.	The significant participant of the organization discloses his or her affiliation with the members of the Board and Executive Body.	Compliant	

CHAPTER II. Board

PRINCIPLE

II.1.

Key functions of the Board

The organisation should be guided by an effective and constructive board, the role of which is to contribute to the long-term success of the organisation, creation of value for participants and supporting the stakeholders of the organisation.

	Clause	Status of Compliance	Expalnation
II.1.1.	The Board performs the functions vested in it by the Code.	Compliant	In 2025, the Bank significantly advanced its corporate governance frameworks, which allowed the Board to ensure full compliance with this principle of the Code. The relevant enhancements are detailed in the 2025 Corporate Governance Report.

PRINCIPLE

II.2.

Composition of the Board

Members of the Board should have various complementary professional skills, education and experience.

The organisation should ensure diversity of the Board's composition to ensure the effectiveness of Board's activities and the objectivity and balance of decisions thereof.

	Clause	Status of Compliance	Expalnation
II.2.1.	The Board should establish a diversity policy for the organisation, which may outline other diversity criteria and targets.	Compliant	

	Clause	Status of Compliance	Explanation
II.2.2.	The members of the Board possess complementary and diverse professional skills, education and experience.	Compliant	
II.2.3.	The representation of each gender on the Board is not less than 30 percent.	Non-Compliant	<p>In 2025, the Bank appointed a new female member to the Board, increasing female representation on the Board to 22 percent. This reflects the Bank's consistent commitment to achieving greater representation over time.</p> <p>In 2026, the Bank will continue its proactive efforts to ensure gender balance within the composition of the Board, while prioritizing candidates' sector-specific experience, skills, and integrity, in line with the Bank's long-term and sustainable development objectives.</p>

PRINCIPLE

II.3.

Non-executive members of the Board

Non-executive members of the Board should challenge the executive body through their constructive conduct, guide the strategic development of the organisation, and offer consulting support to the executive body.

	Clause	Status of Compliance	Explanation
II.3.1.	Non-Executive members should form a majority on the Board	Compliant	
II.3.2.	Board Non-executive members bring new experience, in particular in understanding the Organization’s challenges, supporting its strategic development, overseeing the Executive Body and evaluating its performance, ensuring the reliability of information, the internal control system and risk management, the credibility of financial and non-financial reporting, as well as in the development of policies and systems for succession planning, evaluation and remuneration of the Board and the Executive Body.	Compliant	

PRINCIPLE

II.4.

Independent Board members

The Board should consider the issue of nominating a sufficient number of independent members of the Board, who are capable of making independent judgements.

	Clause	Status of Compliance	Explanation
II.4.1.	One third of the Company’s Board are independent.	Compliant	
II.4.2.	The Board conducts, on an annual basis, an assessment of compliance of independent members with the independence criteria.	Compliant	
II.4.3.	Restrictions aimed at ensuring the independence of a Board member shall apply throughout the entire term of office of the Board member.	Compliant	

	Clause	Status of Compliance	Expalanation
11.4.4.	The Board should establish rules of conduct for the independent member of the Board and relationships or circumstances having a potential impact on the Board member’s decisions ignoring which may cast doubt on independence of the Board member.	Compliant	

Chairperson of the Board

The Board shall be chaired by the Chairperson who shall be responsible for the effective activities of the Board. The Chairperson should possess independent and impartial judgement, promote transparency of the activities of the Board and the organisation, as well as encourage the culture of debate within the Board.

The Chairperson should contribute to formation of constructive relationships between the executive and non-executive members of the Board and ensure that non-executive members of the Board receive, in a timely manner, accurate and essential information in order to make informed decisions.

PRINCIPLE

11.5.

	Clause	Status of Compliance	Expalanation
11.5.1.	The Chairperson of the Board ensures the leadership of the Board and performs the functions vested in him or her by the Code.	Compliant	
11.5.2.	The Chairperson of the Board is a non-executive member of the Board.	Compliant	
11.5.3.	The Chairperson of the Board convenes a meeting of non-executive members of the Board at least once a year, without the participation of executive members;	Compliant	

PRINCIPLE

II.6.

Board Committees

To support its activities, the Board shall form specialized committees.

	Clause	Status of Compliance	Expalnation
II.6.1.	Committees have been established under the Board of the Organization. Irrespective of the establishment of independent committees, the Board retains full responsibility for its decisions.	Compliant	
II.6.2.	The Committees have supervisory and advisory roles.	Compliant	
II.6.3.	The Board approves and discloses the mandate, composition, scope of activities, and procedures of the committees.	Compliant	
II.6.4.	The Committees are accountable to the Board and submit reports to it in the format and frequency established by the Board.	Compliant	
II.6.5.	In order to fulfil their dutiesm the Committees are provided with the necessary resources.	Compliant	
II.6.6.	The Board forms an Audit Committee.	Compliant	
II.6.7.	The Audit Committee is composed exclusively of non-executive members of the Board.	Compliant	
II.6.8.	The majority of the members of the Audit Committee are independent members of the Board.	Compliant	
II.6.9.	The Chairperson of the Committee is Board independent member.	Compliant	
II.6.10.	The Chairperson of the Committee was elected by the Board.	Compliant	
II.6.11.	The positions of the Chairperson of the Board and the Chairperson of the Audit Committee cannot be combined.	Compliant	

	Clause	Status of Compliance	Explanation
11.6.12.	Members of the Audit Committee should have knowledge related to the field of activities of the organisation. At least one member of the Audit Committee should have relevant experience in finance, auditing or accounting.	Compliant	
11.6.13.	The Audit Committee carries out the functions stipulated by the Code.	Compliant	
11.6.14.	The Board forms nominations committee.	Compliant	
11.6.15.	The nominations committee composed solely of non-executive members of the Board.	Compliant	
11.6.16.	The Board forms remuneration committee.	Compliant	
11.6.17.	The remuneration committee composed solely of non-executive members of the Board.	Compliant	

Duties of members of the Board

Members of the Board should act in a fully informed manner, in good faith, with due diligence and reasonable care, based on the best interests of the organisation and participants and taking into account the interests of the stakeholders of the organisation.

PRINCIPLE

11.7.

	Clause	Status of Compliance	Explanation
11.7.1.	A Board member acts in compliance with the legislation and internal legal acts adopted by the organisation.	Compliant	
11.7.2.	A Board member exercises independent judgement in decision-making.	Compliant	
11.7.3.	A Board member spends enough time and effort on the proper performance of his/her duties:	Compliant	

	Clause	Status of Compliance	Expalation
II.7.4.	A Board member does not accept such benefits from third parties, which may be considered unreasonable and lead to a conflict of interests with the organisation or persons affiliated thereto.	Compliant	
II.7.5.	Where a member of the Board has a direct or indirect personal interest in the transaction concluded or arrangements reached by the organisation, he/she informs the Board about it before concluding the transaction or reaching the arrangement and not to be present at the discussion and voting on the decision to conclude the transaction.	Compliant	
II.7.6.	A Board member spends enough time and effort on the proper performance of his/her duties:	Compliant	
II.7.7.	A Board member performs his/her duties personally.	Compliant	
II.7.8.	<p>A member of the Board shall be obliged to support the success of the organisation, taking into account the following factors, among others:</p> <ul style="list-style-type: none"> ➤ the possible long-term consequences of adopted decisions; ➤ the interests of employees; ➤ the need to strengthen relations with customers, suppliers and other persons; ➤ the impact of the activities on society and environment; ➤ the need to demonstrate appropriate conduct that strengthens business reputation; ➤ the need to act fairly. 	Compliant	
II.7.9.	Regardless of whether actual damage is incurred, the organisation implements protection measures for Board members who make decisions with due diligence, procedural caution, full awareness, without conflict of interests, and who properly assess the impact thereof on the long-term success and performance of the organisation.	Compliant	
II.7.10.	The organisation insures liability risk of the Board members at its own expense.	Compliant	

PRINCIPLE

II.8.

Ethical commitment of the Board

The Board should follow high ethical standards.

	Clause	Status of Compliance	Expalnation
II.8.1.	The Board have an obligation to ensure the ethical and anti-corruption compliance of the organisation through introducing the Ethics and Compliance Programme and ensuring control over its implementation.	Compliant	
II.8.2.	The board provided an assessment of the corruption risks inherent in the organization and the development of mechanisms aimed at managing them.	Compliant	
II.8.3.	The Board approved the organization’s corporate codes of conduct and corporate policies that promote the organization’s ethical and anti-corruption behavior and ensured their disclosure on the organization’s web page.	Compliant	
II.8.4.	The Board ensures that the corporate rules of conduct and policies include the principles and rules of interacting with the stakeholders of the organisation and with public in general.	Compliant	
II.8.5.	The Board ensures that the organization regularly conducts trainings on corporate codes of conduct and organizational policies for employees and, if necessary, for other stakeholders.:	Compliant	

PRINCIPLE

II.9.

Rights of members of the Board to receive information and professional consultation

In order to perform his/her duties properly, a member of the Board should have access to and ensure that he/she receives up-to-date, reliable and relevant information. If necessary, he/she should have the opportunity to seek independent external consultancy at the expense of the organisation.

	Clause	Status of Compliance	Explanation
II.9.1.	The Board members are duly notified of the convening of meetings, and receive documents and information to be discussed on the agenda of the meeting within a reasonable time.	Compliant	
II.9.2.	The Board members have access to the organization's corporate secretary, internal auditor, compliance and risk management specialists.	Compliant	
II.9.3.	At the request of a non-executive member of the board, an external consultant is engaged at the organization's expense.	Compliant	

PRINCIPLE

II.10.

Evaluation of the Board

The Board shall, on a regular basis, evaluate its performance and determine whether its members have the proper combination of experience and capacities.

	Clause	Status of Compliance	Explanation
II.10.1.	The Board ensures its self-evaluation as a whole.	Compliant	
II.10.2.	The board ensures the performance evaluation of board members, the chairman of the board, and committees individually.	Compliant	
II.10.3.	The Board's activities are evaluated by an external evaluator at least once every five years.	Compliant	

	Clause	Status of Compliance	Expalation
II.10.4.	Where the activities of the Board are evaluated by an external evaluator, the information thereon shall be disclosed in the corporate governance report of the organisation, along with the statement of the external evaluator on the existence (absence) of any relation with the organisation or members of the Board.	Compliant	
II.10.5.	By the decision of the Board, information on the evaluation of the Board, including its results, may be disclosed in the corporate governance report of the organisation.	Compliant	

PRINCIPLE

II.11.

Continuous professional development of members of the Board and orientation of new members of the Board

The Board must ensure that its knowledge and activities match the growth and complexity of the organization’s structure.

	Clause	Status of Compliance	Expalation
II.11.1.	The Board ensures continuous professional development of its members.	Compliant	
II.11.2.	The Board conducts introductory courses/meetings for its new members.	Compliant	

PRINCIPLE

II.12.

Nomination of members of the Board

The process of nominating and selecting members of the Board should be transparent and regulated. Selection of members of the Board should be based on objective criteria.

	Clause	Status of Compliance	Expalnation
II.12.1.	The organization has documented procedures for nominating and electing board members and ensures their disclosure on the organization's web page.	Compliant	
II.12.2.	The composition of the Board is regularly updated to guarantee that the Board has sufficient capacities to respond to the rapidly changing business challenges.	Compliant	
II.12.3.	The Board plans its succession based on the strategy of the organisation and results of the evaluation of the Board.	Compliant	
II.12.4.	If the Board engages an external consultant, the information on the latter should be disclosed in the corporate governance report, along with the statement on the existence (absence) of any relation with the organisation or members of the Board and the executive body.	Compliant	
II.12.5.	Where the acting member of the Board is on the list of potential candidates (is re elected), the Board submits a proper justification for it.	Compliant	

CHAPTER III. Internal Control and Risk Management framework

PRINCIPLE

III.1.

Internal Control

An organisation should have effective internal control processes and procedures to ensure the integrity of the organisation’s financial, non-financial and accounting information, promote accountability and prevent fraud.

	Clause	Status of Compliance	Explanation
III.1.1.	The framework of the organization’s internal control has been defined (there are existing procedures for budgeting, financial constraints, repeated inspections, procedures for managing and tracking business processes, accountability and communication mechanisms, the terms of authority of management bodies, departments, employees perceive risks, including the right to comply with requirements, etc.).	Compliant	Operating under the supervision of the Central Bank of Armenia, the Bank’s internal control framework is aligned with the requirements of Regulation 4 on minimum internal control standards. Recognizing the dynamic risk environment, the Bank continues to enhance its control framework. Following an ICFR review conducted in 2024, an implementation roadmap was developed and remains under the oversight of the Audit Committee. Ongoing enhancements in 2025 included strengthening risk management frameworks, advancing the compliance function, implementing whistleblowing mechanisms, enhancing budgeting processes, refining deviation escalation procedures, and clearly defining roles and responsibilities across policies. These efforts are continuous, with the long-term objective of establishing a comprehensive internal control framework.
III.2.1.	The executive body of the organization ensures the formation and maintenance of an effective internal control system within the established framework:	Compliant	

PRINCIPLE

III.2.

Risk management of the organization

The organisation should have a risk management function, which effectively and completely enables to implement the risk management strategy, ensures the accountability and communication on the risks of the organisation, as well as forms reasonable expectations for the organisation to achieve its strategic goals.

	Clause	Status of Compliance	Expalation
III.2.1.	Appointment of a person responsible for implementation of the risk management function of the organisation, termination of his/her powers, approval of remuneration terms, application of incentives and disciplinary liability measures carried out by the executive body of the organisation, upon the consent of the Board.	Compliant	
III.2.2.	Risk management responsible is not involved in operational processes of the organization.	Compliant	
III.2.3.	The Organization has established written standards for the qualifications and professional compliance of the risk management officer and monitors their compliance.	Compliant	
III.2.4.	The person responsible for risk management performs his/her functions stipulated by the Code.	Compliant	

PRINCIPLE

III.3.

Compliance assurance of the organisation

The organisation should have a compliance assurance function which shall effectively and fully enable to assess compliance risks of the organisation and contribute to compliance assurance of the organisation.

	Clause	Status of Compliance	Expalanation
III.3.1.	Appointment of a person responsible for implementation of the compliance assurance function, termination of his/her powers, approval of remuneration terms, application of incentives and disciplinary liability measures shall be carried out by the executive body of the organisation, upon the consent of the Board.	Compliant	
III.3.2.	Compliance responsible is not involved in operational processes of the organization.	Compliant	
III.2.3.	The organization has established written standards for the qualifications and professional compliance of the compliance officer and monitors their compliance.	Compliant	
III.2.4.	The person responsible for compliance performs his/her functions stipulated by the Code.	Compliant	

PRINCIPLE

III.4.

Internal audit of the organization

The organisation should have an internal auditor/internal audit department that provides independent and objective assurances and advice to the organisation’s Board and executive body regarding the adequacy and effectiveness of the organisation’s internal control and risk management systems, corporate governance framework, and supports the achievement of the organisation’s goals and improvement of activities.

	Clause	Status of Compliance	Expalation
III.4.1.	The internal auditor/the employees of the internal audit department are appointed by the Board. The internal auditor/internal audit department shall be accountable to the Board and, in case an audit committee is in place - to the latter.	Compliant	
III.4.2.	The Board/ audit committee approves the annual internal audit plan.	Compliant	
III.4.3.	Planning the works of the internal auditor/ internal audit department shall be carried out based on risk assessment.	Compliant	
III.4.4.	The internal auditor/the employees of the internal audit department are neither members of the Board and executive body of the organisation, nor persons affiliated thereto.	Compliant	
III.4.5.	The organization has established written standards of qualification and professional compliance for the internal auditor/the employees of the internal audit department and monitors their compliance.	Compliant	
III.4.6.	The internal auditor/internal audit department shall be independent from the executive body.	Compliant	
III.4.7.	The internal auditor/internal audit service performs the functions stipulated by the Code.	Compliant	

CHAPTER IV. Disclosure of information and transparency

PRINCIPLE

IV.1.

Information policy of the organisation

The organisation should ensure its transparency, including the timely disclosure of updated and credible information on all material matters of its financial condition, performance, sustainability, ownership, and corporate governance.

	Clause	Status of Compliance	Explanation
IV.1.1.	The organisation should have an information policy which should at least define the objectives, principles, terms, frequency, procedure and communication channels of information disclosure by the organisation, as well as the list of information to be disclosed if it exceeds legal requirements.	Compliant	
IV.1.2.	Information dissemination methods ensure equal, timely, and cost-effective access to relevant information for participants and other stakeholders.	Compliant	
IV.1.3.	Regular disclosures of information should be accompanied by disclosure of information on significant developments of the organisation.	Compliant	
IV.1.4.	The organisation guarantees the protection of confidential, internal information and information security thereof.	Compliant	

PRINCIPLE

IV.2.

Reports of the organization

Disclosure of information on material matters by the organisation should include but not be limited to the publication of annual reports.

	Clause	Status of Compliance	Expalanation
IV.2.1.	The annual report of the organisation includes the message of the chairperson of the Board and the head of the executive body.	Compliant	
IV.2.1.	The annual report of the organisation includes the report of the executive body/.	Compliant	
IV.2.3.	The annual report of the organisation includes the financial reports of the organisation and the auditor report thereon.	Compliant	
IV.2.4.	The annual report of the organisation should include the goals of the organisation and the sustainability report.	Compliant	
IV.2.5.	The annual report of the organisation includes the information regarding related-parties/interested-party (conflict of interests) transactions.	Compliant	

Clause	Status of Compliance	Explanation
<p>The organization’s annual report includes the organization’s corporate governance report, as well as the corporate governance annual statement.</p> <p>the corporate governance report of the organization shall include the following:</p> <p>(1) <i>description of the administrative-organisational and corporate structure of the organisation;</i></p> <p>(2) <i>information on significant participants, including beneficial owners;</i></p> <p>(3) <i>brief biography of members of the Board (age, education, experience, current work place, engagement in other boards, qualifications, awards, etc.), term of office, status in the Board (chairperson, executive member, non-executive member, non-executive independent member), attendance data of the Board members at Board meetings, results of the assessment of the compliance of independent members of the Board with the independence criteria, annual report of the activities of committees of the Board, the number of meetings convened by the Board (committees) and non-executive members, methods of convening thereof and data on their initiator(s), information on continuous professional development and evaluation of members of the Board, information on the annual individual remuneration of the Board members and the link between remuneration and corporate sustainability targets, statements of the Board members on disclosing interest in transactions or arrangements of the organisation;</i></p> <p>IV.2.6. (4) <i>information on the annual remuneration of the executive body (individual or collective) and the link between remuneration and corporate sustainability targets;</i></p> <p>(5) <i>number of shares of the organisation owned by the members of the Board and executive body;</i></p> <p>(6) <i>name and remuneration of the auditing organisation, as well as the results of verifying the fact of independence thereof;</i></p> <p>(7) <i>rights attached to shares issued and distributed by the organisation, according to their type (class);</i></p> <p>(8) <i>information on persons providing consulting services to the organisation and the Board on corporate governance matters, including Board evaluations and recruitment of Board members, and remuneration thereof;</i></p> <p>(9) <i>annual corporate governance statement;</i></p> <p>(10) <i>other information at the discretion of the Board.</i></p>	<p>Partially Compliant</p>	<ul style="list-style-type: none"> ➤ Information on the remuneration of Board members and the executive body is disclosed on the Bank’s official website in accordance with applicable legal requirements. The format of such disclosure reflects a commonly and consistently applied practice within the Armenian banking sector. In this context, the Bank follows the prevailing industry approach. The same information is not repeated within the corporate governance report. ➤ The remuneration of the consultant who provided advisory services to the Bank and the Board in relation to Board evaluations is not disclosed due to confidentiality provisions contained in the relevant agreement.

PRINCIPLE

IV.3.

External audit of the organization

The organisation should be subjected to an external audit conducted by an independent, competent, and qualified auditing organisation, in accordance with internationally recognised auditing, ethical and independence standards to provide reasonable assurance to the Board and participants that the organisation’s financial statements, in all material aspects, fairly represent its financial condition and financial performance, and are prepared in compliance with applicable financial reporting standards.

	Clause	Status of Compliance	Expalanation
IV.3.1.	The organization’s financial statements are subject to external audit.	Compliant	Compliant
IV.3.1.	The organization has criteria and procedure for external auditor/audit compoany selection.	Compliant	Compliant
IV.3.3.	The organization formulates terms for the rotation of auditing organisations and responsible auditors.	Compliant	Compliant
IV.3.4.	The candidacy of the audit firm is nominated by the board and appointed (approved) by the general meeting.	Compliant	Compliant
IV.3.5.	The external auditor is accountable to the shareholders	Compliant	Compliant

	Clause	Status of Compliance	Explanation
IV.3.6.	The auditing firm examines the organization's internal control and risk management system.	Partially Compliant	As part of its audit service the External Auditor (PwC), when planning and performing the audit of the consolidated financial statements for the reporting year, evaluates the Bank's internal control system in order to determine the appropriate audit procedures to form an opinion on the financial statements. However, this evaluation does not constitute assurance on the effectiveness of the Bank's internal control.
IV.3.7.	The audit firm shall provide non-audit services not prohibited by law exclusively with the permission of the board.	Partially Compliant	The audit firm provides non-audit services not prohibited by law exclusively with the consent of the Audit Committee, which is thereafter communicated with the Board.
IV.3.8.	The organization's audit committee holds regular meetings with auditors without the participation of members of the executive body	Compliant	

CHAPTER V. Relations of the organisation with stakeholders

PRINCIPLE

V.1.

Stakeholders of the organisation in the corporate governance framework

The organisation should recognize the rights, roles and interests of its stakeholders and promote active collaboration among the organisation, participants and stakeholders aimed at creating value, including quality jobs, as well as building a viable and resilient organisation.

	Clause	Status of Compliance	Expalation
v.1.1.	The organizaton has stakeholders communication policy.	Compliant	
v.1.2.	The organization has developed and implemented a whistleblowing policy, procedures, and mechanisms.	Compliant	
v.1.3.	Stakeholders have the opportunity to express their concerns about illegal or unethical practices of the organization to the board or other competent body freely, without restrictions and without harassment or discrimination.	Compliant	
v.1.4.	The organization communicates with stakeholders through sustainability reporting.	Compliant	



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The Bank is supervised by the Central Bank of RA

