



# 2024

## ANNUAL REPORT

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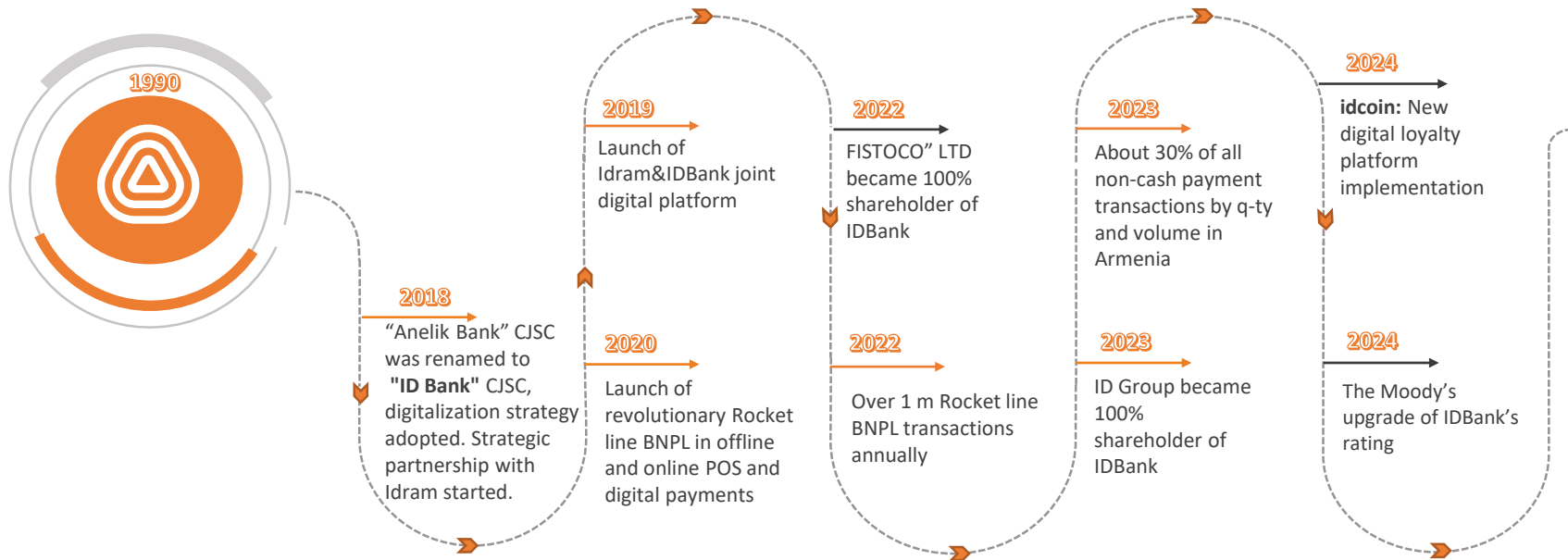
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# Briefly about the Bank

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# IDBank is one of the innovative developing banks of Armenia and already has 35 years of experience in the banking system



# IDBank at glance

## 2024 results

- Among Top 5 most profitable Banks in Armenia
- Leader in BNPL solutions
- Transactional Leader

Assets	422 bln
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Liabilities	348 bln
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Deposits, accounts	223 bln
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Capital	74,5 bln
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Net profit	15,8 bln
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ROE	22.9 %
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CIR	44.9%
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## About 25% of non-cash payments in Armenia

- Among Top 3 banks with highest number of issued cards
- Over **23%** yearly growth of card payments
- **30%** growth of the number of active clients registered in the digital platform

Corporate banking clients	28 thous.
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Retail banking clients	655 thous.
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Digital active customers	85.0%
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Cards	465 thous.
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POS-terminals based on "Buy now, Pay later" 0%	10,000+
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Employees	1,016
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# Mission, vision and values of the Bank



## Mission

To be the first choice bank by providing innovative solutions that empower our clients and meet their evolving needs.



## Vision

To become the first digital bank in Armenia by expanding our innovative, client oriented activity.



## Values

> **Innovation:** It is in our DNA to be innovative. We bring together finance and technology to enrich our customers' lives with high quality, secure and fast services.

> **Transparency:** We conduct business with integrity, transparency and unwavering ethical standards in all interactions with our team, customers, partners and shareholders.

> **Customer centricity:** Our customers are at the heart of everything we do. We prioritize their needs delivering personalized experience, and we are dedicated to their satisfaction.

> **Team:** Our main asset is our people. We encourage our team to pursue their work with passion and creativity, while continuously developing their skills and fulfilling their potential.

> **Social Responsibility:** Our commitment to sustainability drives us to minimize environmental and social risks, ensuring that our activities leave a lasting, positive impact on the community.

# Our Achievements

MOODY'S



- ✓ **Ba2** - Long-term Counterparty Risk Ratings (CRRs)
- ✓ **Ba3** - long-term foreign and local currency deposit Ratings

IDBank is one of the first Armenian banks to go live with **SWIFT global payment innovation (gpi)** service.

IDBank is the first Armenian bank that officially joins the International Chamber of Commerce (**ICC**).

ESG transformation and strategy implementation according to International Capital Market Association's ("ICMA") principles.

IDBank joined Bankers' Association for Finance and Trade (**BAFT**) in the scope of international cooperation development.

IDBank officially joined the Banking Association for Central and Eastern Europe (**BACEE**).

Nominal coupon bonds issued by IDBank are listed on **AMX** and included in the bonds main Abond and Bbond lists.

IDBank is one of the largest issuer of **VISA** cards in Armenia.

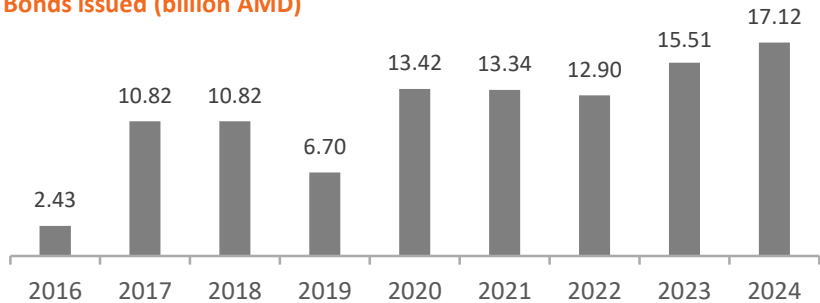
# IDBank as a bond issuer

The Bank has issued and placed bonds for the first time in its history in 2016. The goal of issuance and placement of bonds by the Bank is to attract funds which shall be directed towards funding of the Bank's main activity.

During 2024, the Bank successfully carried out 4 bond issuances:

Y2024	March	May	June	September	✓ Quarterly coupon payment frequency
Total bond issuance	5 mln USD	5 mln USD	3 bln AMD	5 mln USD	
Annual YTM on bonds	4.25%	4.75%	9.50%	4.75%	
Validity period	27 mnth	39 mnth	27 mnth	36 mnth	

## Bonds issued (billion AMD)



As of the end of 2024, the bonds with a nominal value of USD 12,3 mln and a nominal value of AMD 2,5 bln were placed on the primary market.

As of the end of 2024, 9 issues of bonds by IDBank were traded in the secondary market, with the total value of USD 33 mln and AMD 3,0 bln.

## There were no significant changes in terms of risks of investors in bonds

While acquiring bonds the investor usually bears the following risks:

- ✓ Market risk (Interest rate risk, Foreign exchange risk, etc.),
- ✓ Bonds liquidity risk,
- ✓ Inflation risk

As of 31/12/2024 no significant changes have been registered in terms of investor risk in the market.



# 2

## Strategic report

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# Message from the Chairman of the Council



**Artur Javadyan**  
**Chairman of the Council of “IDBank ” CJSC**

Artur Javadyan was born on 22.04.1964.

In 1986 graduated from the Faculty of Mechanization of the Armenian Agricultural Institute, and in 1989 completed postgraduate studies at “Armenian Rural Mechanization”.

During 1989-1991, he held various senior positions in “Yerevan” Bank, and during 1997-2000 - at “ArmInvestBank”.

During 1997-2020, he held the positions of Chairman of the Council of the Central Bank of the RA, Advisor to the Chairman of the Central Bank, Deputy Chairman of the Central Bank, and Chairman of the Central Bank.

During 2008-2020, as the chairman of the Central Bank of Armenia, he was the chairman of the board of UCO “National Mortgage Company”; UCO “Apartment for Youth”; credit bureau “ACRA”; “ArCa” systems; CJSC “ArmIncasation”; as well as a board member at the Armenian Stock Exchange.

From 2020 is an ambassador-at-large of the Republic of Armenia.

**Dear clients and partners,**

Summing up the year of 2024, which is considered special in itself, we can assert that strategic mind, technological leadership and innovative values can provide sustainable results even in the terms of global uncertainties.

IDBank does not simply adapt to changes; we form new standards for the banking system. Our team is committed to innovation, transparency and responsible management, which allows us to build long-term relationships with you, our investors and customers.

Today, we can see our efforts turning into trust, expanding the digital ecosystem and strengthening the bank's position in the market; our main asset is the guarantee of trust. Thanks to this, the bank develops with confidence and a clear view of the future.

The IDBank’s Council keeps on implementing a sustainable growth strategy, supporting the management team and creating a solid foundation for further achievements. We are confident that the combination of a strong team, digital solutions and a deep sense of responsibility towards society is the foundation of the Bank of the future.

Thank you for your partnership, trust and joint journey. We are proud that IDBank is not only a financial institution, but also a reliable ally on the path to achieving your goals.

**Best regards,**

**Chairman of the Council**

**Artur Javadyan**

# Message from the Chairman of the Management Board



**Mher Abrahamyan**  
**Chairman of the Management Board**

Born on October 16, 1975.

In 1997 graduated from the Yerevan Institute of National Economy, faculty of Management and Economic Relations; in 2004 Fletcher School of Law and Diplomacy, Tufts University, USA.

Has qualification of CFA I, II levels.

Since 1999 has been employed at the CBA, first as an Economist, Senior Economist, Macroeconomist at Monetary Policy Department.

2007-2012 served as the Head of Banking System Regulation Division within the CBA Financial System Regulation Department.

During 2012 - 2018, held the position of the Head of Financial System Regulation Department.

From 2019 to today, he is the chairman of the Board of IDBank.

## Dear partners and clients,

The past year was another year of significant achievements, steady growth and technological progress for IDBank. We go on with confident implementation of our strategy, promoting digital transformation and creating long-term value for our clients and partners.

According to the results of the year, we are among the top five most profitable banks in Armenia, achieving a return on equity (ROE) of 22.9%, which exceeds our strategic goal of 20%. We are confidently moving forward, investing in innovation, strengthening capital and expanding our customer base.

I would especially like to note the development of the BNPL (Buy Now - Pay Later). In 2024, the volume of transactions with this product exceeded 2.6 million, which confirms the high demand for flexible financial solutions. We have also actively expanded the QR POS infrastructure, the number of which has reached 22,700 across the country.

In addition to digital achievements, we are proud of the expansion of our physical presence. The new branch “Old Yerevan”, opened in 2024, has become a symbol of the fusion of tradition and innovation, we already have representative branches in some regions, providing an even higher level of comfort for customers.

One of the important events of the past year was the successful introduction of idcoin - an innovative loyalty tool and a new stage in the development of the bank’s digital ecosystem. This is not just a digital asset, but a new approach to interacting with customers, a new manifestation of loyalty towards them.

In June 2024, the international Moody’s rating agency upgraded IDBank’s rating by several scales at once, which is another proof of trust and sustainable development, and Armenia’s sovereign rating remains Ba3 with a stable outlook.

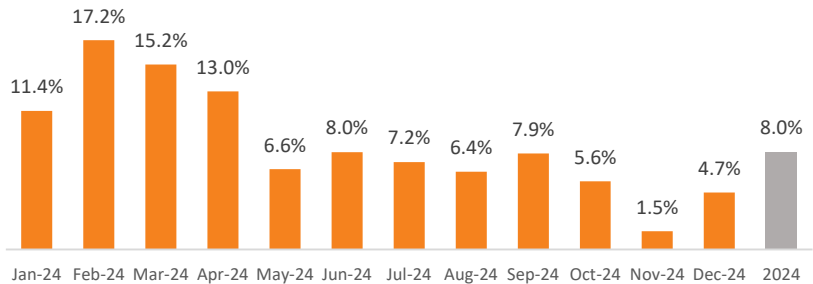
In 2025, IDBank also has ambitious plans and will invest all its potential to maintain and even exceed the high benchmark it has set.

We thank our clients and partners for their loyalty and trust, assuring us that we will continue to move forward for the sake of your goals and our common future. We are also grateful to our team for their dedicated and honest work; it is thanks to them that today we have the indicators and successes that we are proud of.

**Best regards,**  
**Chairman of the Management Board of “ID Bank” CJSC**  
**Mher Abrahamyan**

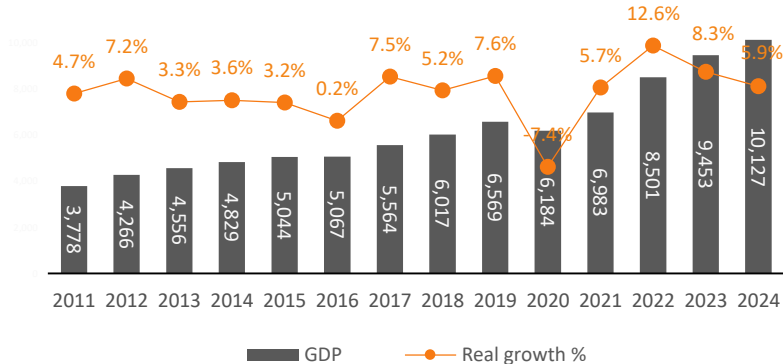
# RA Economy

Indicator of economic activity



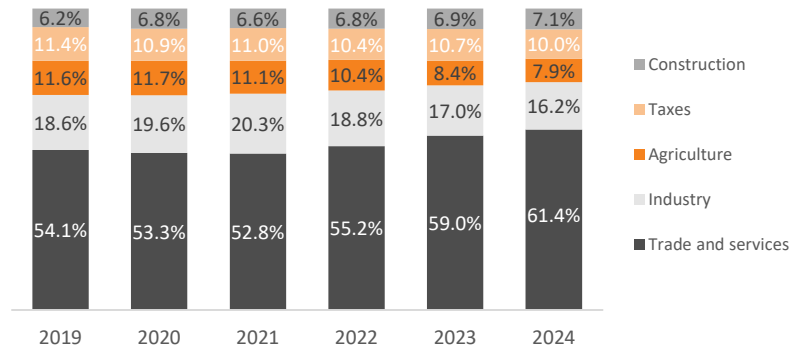
Source: RA Statistical Committee

GDP at current prices, bln AMD



Source: RA Statistical Committee

The structure of GDP by main components (%)



Source: RA Statistical Committee

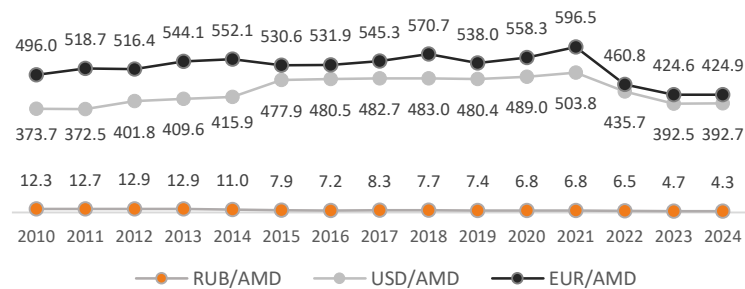
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According to the results of 2024, an increase in economic activity was recorded in Armenia by 8.0%, the GDP increased by 5.9%.

Due to uncertain geopolitical developments in 2025, economic growth rates are predicted to slow down to 5.0%.

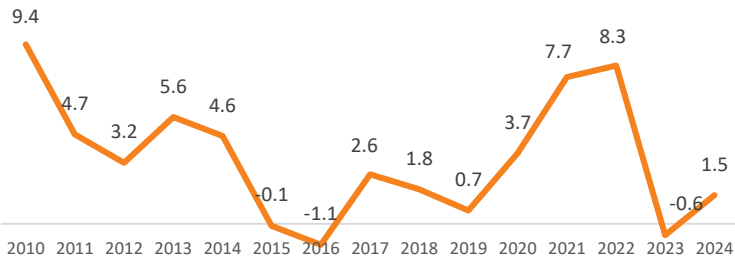
# RA Economy

Average annual exchange rates



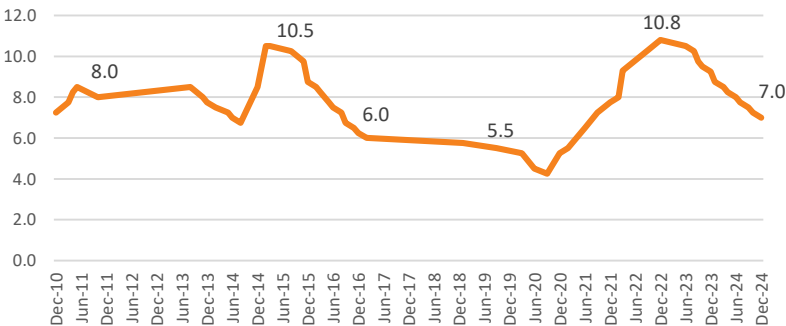
Source: CBA

Inflation annual, end of period (%)



Source: CBA

Refinancing rate (%)



Source: CBA

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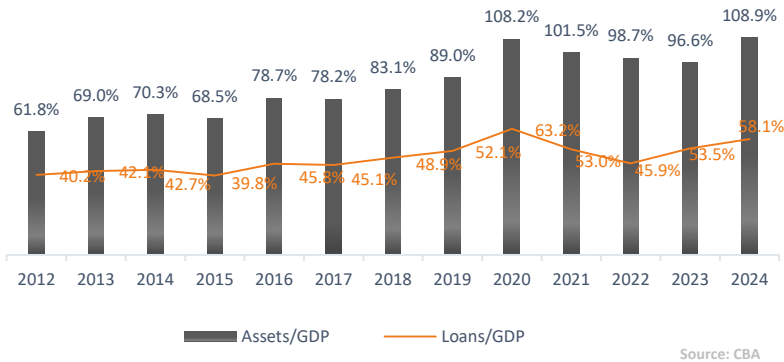
The AMD exchange rate against the USD and euro remained stable in 2024, while it gained an average of 8.5% against the RUB.

In December 2024, compared to the same period of the previous year, a 1.5% inflation was recorded in the RA consumer market.

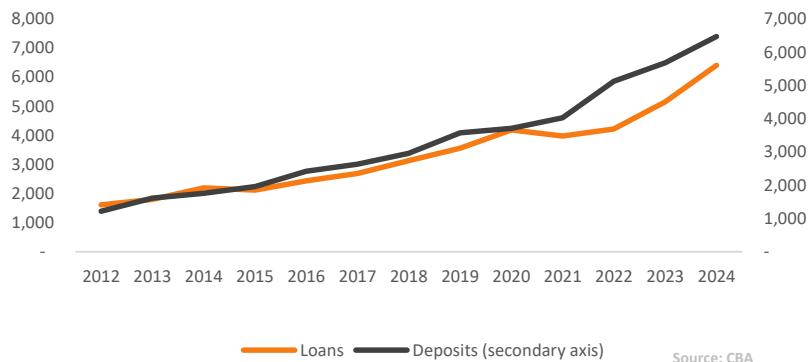
Responding to changes in the inflationary environment, the Central Bank gradually reduced the refinancing rate, setting it at 7.0% at the end of the year.

# Financial system

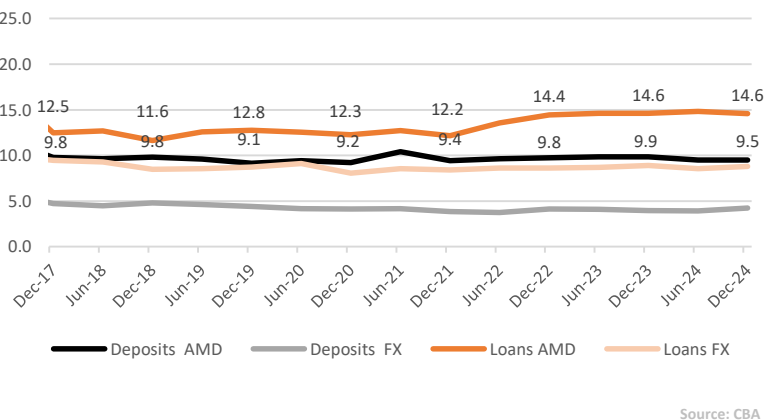
Ratio of banks' assets and loans to GDP



Bank deposits and loans, bln AMD



Average interest rate of loans and deposits for a term of over 1 year



“

According to 2024 results, the Loans/GDP ratio was 58%` increasing by 5 percentage points compared to the previous year.

In 2024, interest rates on loans and deposits with a maturity of more than 1 year have remained relatively stable.

# Our strategic results



**Karen Nalbandyan**  
Business Development Director

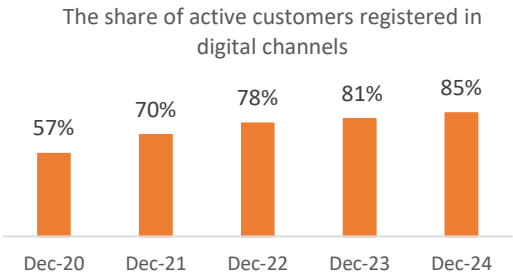
As we close year 2024, I’m proud to share that we have not only advanced our strategic goals, but also strengthened our role as a service provider and true ecosystem creator. By moving beyond traditional banking, we have delivered integrated and customer-centric solutions that bring lasting value to both individuals and businesses.

At IDBank, our mission remains the same: to provide an exceptional experience for every customer by offering fast, convenient, and secure remote services. Over the past year, we have expanded the range of our digital products and services, building a complete ecosystem that covers daily banking, financial and transactional services, BNPL solutions, and loyalty programs.

Already, over 130,000 customers have been rewarded through our idcoin loyalty system – reflecting our promise to deliver real value at every stage of their journey with us.

In 2024 we recorded a dynamic growth in bank’s strategic areas. By the end of the year, our innovative BNPL solution **Rocket line** became available at more than 22,700 offline and online payment points, of which 10,200 provided interest-free installments (Rocket line 0%). The number of purchases via Rocket line increased by 84%, while the amount of installment loans provided increased by 90%. Rocket line 0% transactions doubled for the second consecutive year, highlighting the growing trust customers place in our services.

We have further strengthened our leadership in digital retail, card products and payment solutions. The total number of issued cards in 2024 exceeded 520 000, while the volume of transactions increased by 28%. Non-cash transactions volume carried out using our cards, online and QR code payments, as well as by our POS/vPOS comprised 25% of all non-cash payments in the Armenian market.



In 2024, we introduced a new and upgraded version of the IDBusiness mobile application, offering expanded functionality and a simpler interface for business customers, whose number increased by 33%, exceeding 28,000.

As of the end of 2024, 85% of our active clients are registered in the Bank's digital platforms, and more than 80% of them are active in the digital channels on a monthly basis.

# idcoin\_ new loyalty tool in the market

In April 2024, as part of our ongoing commitment to enhance customer experience and digital engagement, we successfully launched the **idcoin** loyalty program, designed to reward our valued clients for their continued trust and engagement with our Ecosystem.

It is a unique and innovative initiative that allows customers to accumulate loyalty points when using Bank's products and services.



## ***As a product/service feature***

*idcoin as a benefit for using our products and services*



## ***Campaigns***

*increasing customers engagement and loyalty*



## ***Rewards and appreciation***

*Expressing gratitude to customers*



## ***Social Responsibility activities***

*support to a range of SR events and activities*



**1 idcoin = 1 AMD**

**Ease of use:** All active clients of the Bank are auto-enrolled in idcoin loyalty program.

Earning coins, clients can redeem through idram&idbank app while making a QR payment.



# New flagship branch of IDBank “Old Yerevan”

Striving for innovation, IDBank opened its “Old Yerevan” branch in August 2024.

The branch is located in the historic heart of Yerevan, harmonizing tradition with cutting-edge banking: exclusive design equipped with the best technical solutions.

Everything at the branch revolves around customer convenience and it is exceptional in both the service provided and the opportunities offered.

- ❖ Extended working hours
- ❖ Full banking services + leisure space
- ❖ The renowned café “Paul” offering coffee or delicious breakfast
- ❖ Specialized mortgage center: consultations from experts, fast approvals in just 2-3 days
- ❖ Corporate Center: One-stop cash/non cash transactions
- ❖ Premium banking: personalized services, luxury salons, parking for customers



# Our clients

The Bank now offers the following main channels in order to use the services rendered by the Bank in the most convenient way.



Multifunctional internet and mobile banking



Innovative and convenient branches



Privilege/Private banking



24/7 self-service zones



24/7 Contact Center

## Corporate clients



~ 28 thousand clients

+33% a year

The bank continuously develops a culture of servicing corporate customers, offering complex financial services and solutions for the development and prosperity of all organizations. In 2024 we have registered the following achievements:

- ✓ New updated version of IDBusiness mobile with enhanced functionality.
- ✓ Annual growth of both overall customer quantity and active customer base by 33%.
- ✓ Introduction of an automated loan approval system for corporate clients.
- ✓ Annual increase of around 38% in the number of POS/VPOS terminals and more than 27% annual increase in turnover volumes.
- ✓ Expanding the share of the digital installment market. The number of Rocket line 0% digital installment trading/sale points have reached 10K, ensuring an annual growth of about 33%.
- ✓ Increase in the volume of sales of business cards. Visa Business Platinum premium class - more than 39% per annum and Visa Business class - more than 30% per annum.

## Retail clients



~ 655 thousand clients

+17% a year

As of the end of 2024 the number of retail clients of the Bank amounts to 655,000. The Bank is constantly improving its existing services, developing and introducing thus offering the best solutions to its clients. As a result, we have registered the following achievements:

- ✓ Opening of 2 new branches: Hrazdan and Old Yerevan
- ✓ 17% annual growth of total number of retail clients and 23% annual growth of active clients
- ✓ About 14% annual growth of the number of payment cards
- ✓ Increase in the number of card payments by 28%
- ✓ 29% annual growth of retail loan portfolio
- ✓ Around 130K unique clients rewarded with idcoins

## Idram&IDBank is the leading Armenian digital ecosystem in digital banking, payments and financial services

**685,000+ users** – 55% of the economically active population in Armenia

Full **functionality of digital banking**

**Remote onboarding and customer identification** via smartphone

**Payment aggregator for 15 banks and 18 credit institutions;** partnership with 1,000+ service providers, incl. all main online services and public services in the country

**Contactless QR payments at 22,700+ physical points of sale**, incl. supermarkets, restaurants, cafes, shops, hotels, etc.

**Secure check out in 970+ online shops** in Armenia via **web QR** and **mobile checkout**.



Integrated **Buy now Pay later** solution for online and offline (QR payment) purchases and services **with 22,700+ POS**, including **10,000+ POS** providing **Rocket line 0% interest-free** installments options up to 6 months.

**465,000+ active cards**

**Leading VISA Card issuer** in Armenia.

**P2P instant money transfer via phone number and card number** within Armenia and abroad

**Idram Junior – the first financial app for kids and teenagers in Armenia** with the functionality of contactless QR payments and transfers

**Id+ Digital loyalty platform for merchants and users** with virtual bonus and gift cards, as well as a **bonus exchange (auction)**

# Social responsibility



- The first program of the year, the sum of AMD 3,665,972 accumulated in **January** with the "Power of 1 Dram", was directed to the "Armenian Mothers" Charity Foundation, which deals with the problems of children with CP.

- The entire amount collected in **February**, AMD 3,780,052 was donated to the "City of Smile" Charitable Foundation to support children fighting cancer.
- The beneficiary of **March** was the "My Forest Armenia" NGO, and the collected AMD 4,017,648 were directed by environmentalists toward programs to increase Armenia's forest fund and preserve biodiversity.

- **April's** beneficiary was the "4090" Foundation, which directed the collected amount of AMD 3,913,063 to provide tuition fees for about a hundred students who participated in the 4-Day and 44-Day Wars.



- The beneficiary for **May** was the "Path of Life" NGO, which focuses on supporting children with epilepsy. The collected amount of AMD 4,101,050 was directed to alleviate the worries of the beneficiary families.



- IDBank and Idram transferred the amount of AMD 4,046,161, collected during **June**, to the "Powerful Mind" NGO for the organizational work of the "Horizon" summer educational camp.



- The sum of AMD 4.165.643 collected in **July** were entirely directed to "Impact Hub Yerevan" for the Social Impact Award program aimed at promoting the development of social entrepreneurship in Armenia.

- The beneficiary of **August's** "The Power of 1 Dram" program was "Aren Mehrabyan" Foundation. IDram and IDBank transferred AMD 4,135,630 to the foundation to support households in the Noyemberyan community of Tavush region with pasture problems.

- The **September's** beneficiary was the "Munk" Tech School part of the "ES" Educational Foundation established in 2022 in Artsakh, which provides technological education to children in various regions of Armenia. The collected amount of AMD 4,093,527 was directed to a program of involving over 100 new applicants from different communities.

- The entire **October** "one dram" fund, amounting to AMD 4,401,021, was transferred to the "Children of Armenia" Charitable Foundation to support educational programs for children living in the regions.



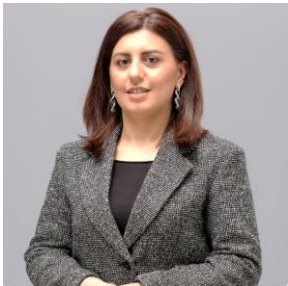
- The amount of AMD 4,479,792 accumulated in **November** was allocated to the Armenia Tree Project's "Backyard Nurseries" program. In addition to being environmental, the program also has a significant social component: it improves the living standards of our compatriots living in rural areas.

- During **December**, the collected amount of AMD 5,119,225 was transferred to the "Children of the Regions in the Regions" Foundation for the annual regional forum "Face to Face: Dialogue Between Generations"



*In 2024, the Bank also implemented the "By Your Side" social support program aimed at large families from Artsakh. The beneficiaries of the nine-month program were 150 children from 42 Artsakh families. Each child received a monthly transfer of AMD 40,000 in idcoin from the Bank.*

# Financial Results



Lilit Sargsyan  
Financial Director

In 2024, the Bank outperformed its target indicators, achieving high profitability compared to the market average.

As of the end of 2024 the total assets of IDBank amounted to AMD 422 bn, thus recording 15% annual growth. The Bank increased its share of loans and advances to customers in assets to 48% (AMD 201 bn). The loan portfolio growth is due to the growth of loans to individuals (+29%) and loans to the legal entities (+20%).

By the end of 2024 the total liabilities of the Bank amounted to AMD 344 bn, around 70% of which were current accounts, deposits of clients, and debt securities issued by the Bank.

The bank recorded a net profit of AMD 15,8 bn. As a result, the bank secured the 5th position in the market by return on equity (ROE) with 22.9% and 4<sup>th</sup> position by return on assets (ROA) with 4.0%.

The main factors contributing to the high level of profitability is the net interest income (18% growth) and net non-interest income, in particular, the Bank is one of the leaders in the market by the net income from trading operations recording AMD 9,8 bn. The bank will continue striving for high levels of profitability by ensuring a broad diversification of its operating income structure.

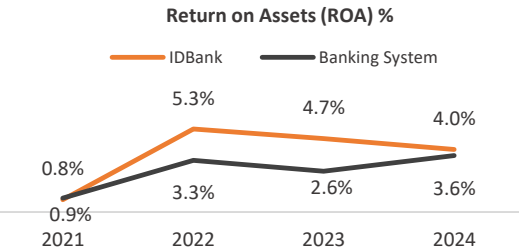
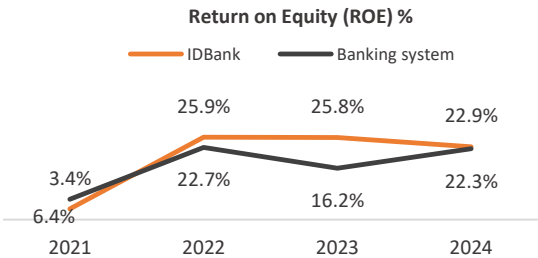
Considering that the Bank's capital adequacy and liquidity levels are quite high and the Bank's net impairments are relatively low, the Bank has ample opportunities to expand its operations and implement new projects without compromising the Bank's financial stability continuously creating long-term sustainable value for all its stakeholders.

5<sup>th</sup>  
Position by ROE

22.9%

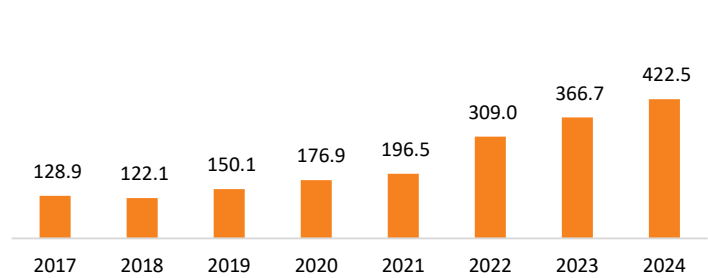
4<sup>th</sup>  
Position by ROA

4.0%

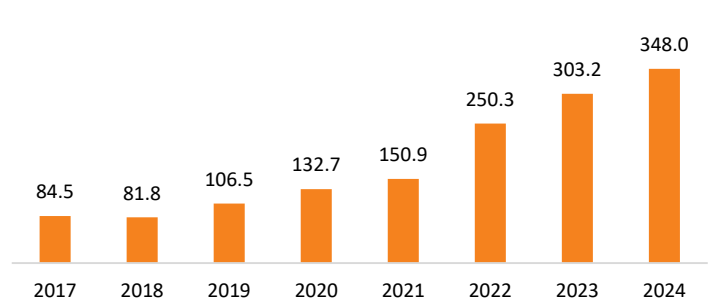


# Financial results

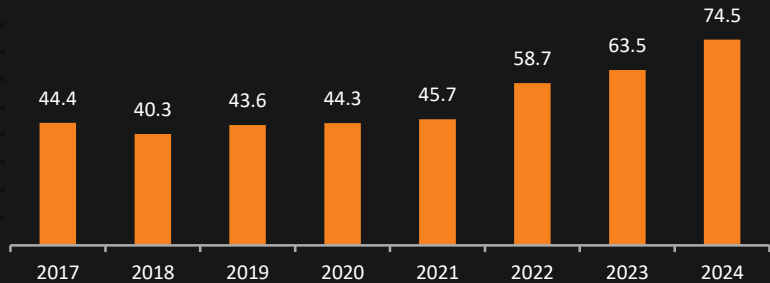
Total assets (bn AMD)



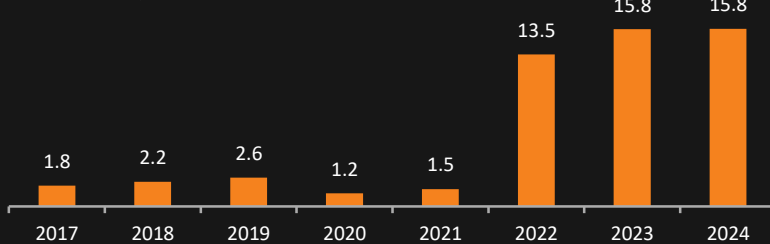
Total liabilities (bn AMD)



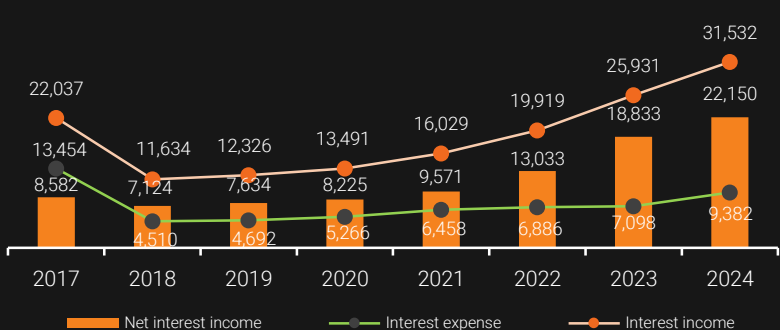
Total capital (bn AMD)



Profit for the year (bn AMD)

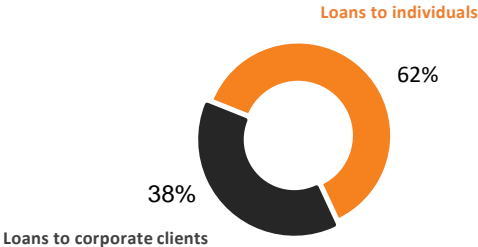
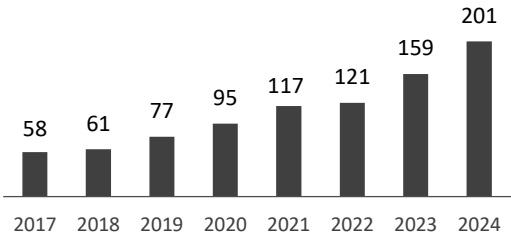


Net interest income (mn AMD)



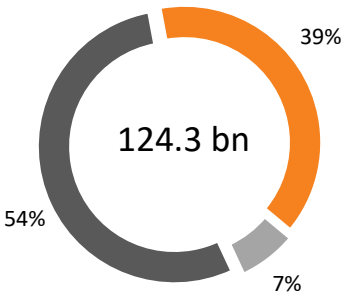
# Bank portfolios

Loans and borrowings to clients  
(recognized at amortized cost), bn AMD

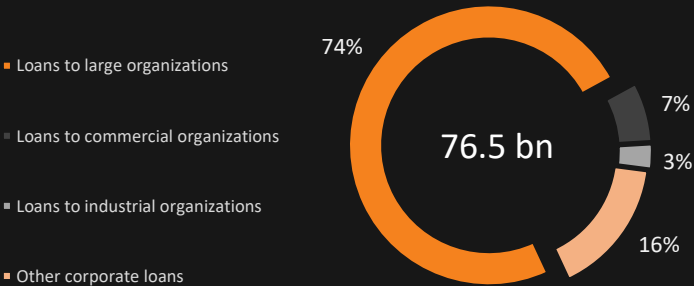


## Retail loan portfolio composition

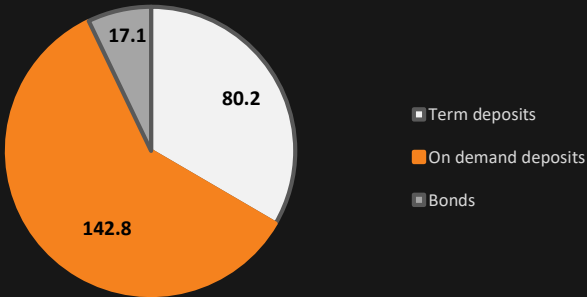
- Consumer loans
- Mortgage loans
- Gold-pledged loans



## Corporate loan portfolio composition



## Liabilities to clients (bn AMD)



# Our Staff

Thanks to our team and the teamwork, 2024 was also distinguished by progress, development, significant achievements and the implementation of set goals. Thanks to the team's dedication and unity around a single goal, it became possible to ensure high performance, create new values, implement new ideas and exceed the results achieved in previous years.

The Bank is continuously working to improve the team's working environment, create even safer and more attractive conditions. The Bank is constantly developing and expanding financial and non-financial motivation systems for employees.

A number of events were initiated during 2024, to increase team satisfaction, continuous professional growth, development, improvement of skills and acquisition of new knowledge.

Continuous education and development are part of the internal culture of the Bank, and in this regard, internal corporate and educational portals, which create wide opportunities for employees, play an important role. The Bank continues to attach importance to the continuous development and international qualifications of middle and senior managers and, for this purpose, cooperates with the best trainers in the field.

During the year, a new model of the evaluation system was also introduced for employees, which made the employee's annual evaluation more transparent. The evaluation system allowed managers not only to assess the potential of employees for promotion, but also to form a base of potential successors for management positions in the Bank.

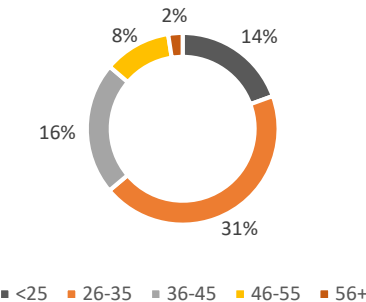
The year was also distinguished by various team events, which made the working relationships of our employees more close and warm, strengthening the important values and principles of partnership.

**Sona Manucharyan**  
Human Capital Management Director

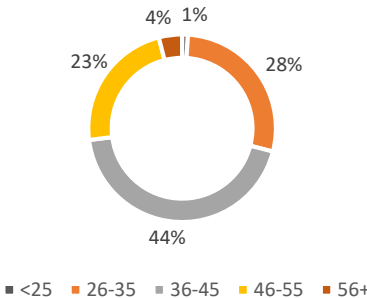
883

The number of active employees of the Bank as of the end of 2024.

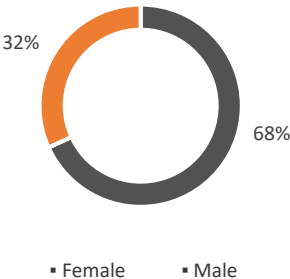
Staff composition by age, %



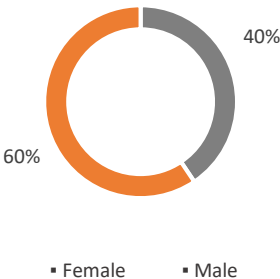
Management staff composition by age, %



Staff composition by gender, %



Management staff composition by gender, %





Team and Corporate culture

We are a team - teamwork is one of the core values of the Bank and is the pillar of the formation of corporate culture, as well as a mandatory condition for achieving success.

This year, many team and corporate events were organized once again, along with continuous strategic meetings for the development of teamwork, as well as employee performance-based incentives.



Many events organized by the bank gave employees the opportunity to communicate outside of work and support various social projects together. We continued to give employees the opportunity to work in a more flexible working mode, to use the opportunity for smooth work in remote and offline modes.



During 2024, the staff became part of corporate social responsibility programs supporting children, soldiers, displaced persons from Artsakh, residents of border villages, as well as the environment.

Compensation and Motivation

The Bank focuses on analyzing the remuneration and benefits market of the financial and banking sector and the constant monitoring of the current trends, as well as the provision of timely and appropriate response.

The Bank encourages employees in both financial and non-financial ways. The Bank's benefits package is constantly reviewed and updated.

Meetings with the Chairman of the Management Board were organized with the employees who showed the best performance, valuable gifts were provided and an opportunity to discuss work successes and further professional development in such an environment.

Annual employee performance appraisals are continuously improved as an element of the Bank's employee reward culture.



Employee recruitment policy

During 2024, the Bank's team was supplemented with 272 new employees.

Continuing to focus on internal staff development and advancement, approximately 20% of vacancies were filled through internal candidates, filling both specialist and managerial positions.



Working with students is an important part of the Bank's staff recruitment policy, combining the formation of novice specialists and the process of attracting leading specialists of the field to our ranks.

Quarterly meetings of Managers

In 2024, **quarterly meetings of Managers** took place. The purpose of these meetings is to create a platform where managers at all levels can come together to share insights about the outcomes of their work, achievements, and existing challenges, while also becoming part of discussions of strategic importance for the Bank.



Corporate culture and internal communication

Adhering to our values and principles, the Bank continues to develop its corporate culture and internal communication channels.

Thanks to the corporate communication platform, employees have the opportunity to get acquainted with current news and changes, take part in surveys and make suggestions, participate in various interesting online contests and interactive surveys.



Cooperation with students: IDream program

Quality education is one of our priorities. The Bank actively cooperates with a number of higher education institutions and participates to a certain extent in non-formal education, providing students with the opportunity to get acquainted with the banking sector.

In 2024 the Bank organized the IDream training program for students 3 times, enabling another 78 recent graduates to start their careers with the Bank. Thanks to this program, all students receive theoretical and practical knowledge of the financial and banking sector, develop skills that are necessary for a novice employee of the banking sector.



Staff training and development

During the year, the Bank's Training and Development Center organized and supervised more than 200 online and offline training courses, shared various materials, interesting development literature and presentations. Employees have the opportunity to be trained not only by participating in external or internal courses, but also through the online platform, at convenient for them schedule and speed.

During 2024, 85% of employees were trained, 74% of whom participated in internal training courses, and 26% were trained by participating in external courses.



The Bank constantly encourages and supports employees to obtain international qualifications and certifications, and also aims to establish a requirement for international qualifications for top and middle managers, providing financial support in this process.

# 3

## Corporate management

Our shareholders and the Council

**28**

Risk management

**30**

# Council of the Bank



**Arthur Javadyan**

Chairman of the Council

During 2008-2020, as the chairman of the Central Bank of Armenia, he was the chairman of the board of UCO "National Mortgage Company", UCO "Apartment for Youth", credit bureau "ACRA", "ArCa" systems, CJSC "Armincasation", as well as a board member at the Armenian Stock Exchange.

From 2020 is an ambassador-at-large of the Republic of Armenia.



**Karen Margaryan**

Karen Margaryan is a Doctor of Economics and Candidate of Technical Sciences with 37 years of experience in managerial/leadership positions. Since 2016, he has been a member of the Board of "ID Bank" CJSC. He holds scientific titles and is the author of more than fifty scientific works on economics and management.



**Fernando Castiñeiras**

Received an MBA from Warwick Business School (UK) in 2003 then completed the Global CEO Program in 2018, conducted by IESE (Spain), Wharton Business School (US), and CEIBS (China). From 1996 he embarked on a four-year international experience program, including work in the Global Investment Banking Group in London. In 2002 he co-founded Management Solutions (MS), a multinational consulting firm. From 2016, he is the founder, chairman, and CEO of Athos Capital, SGEIC, S.A. Since 2024 he is a member of the Council of "ID Bank" CJSC.



**Elena Khachvankyan**

Elena Khachvankyan is a finance and management professional with a robust academic and practical background. Has completed ecoDa's European Board Diploma, which has equipped her with state-of-the-art knowledge in corporate governance practices. Currently, she holds the position of Consultant with several International Financial institutions. Her expertise lies in strategic planning, large-scale infrastructure projects, assessing fiscal risks, and development finance. She has made significant contributions to the implementation of reforms in this areas.



**Andreas Blasé**

Born in Germany, graduated from the Otto Beisheim School of Management (WHU). Has 15 years of diverse experience including direct investments, portfolio management, digital transformation, and operational leadership. Since January 2024 Andreas Blasé is an Operating Partner of AURELIUS Wachstumskapital (Germany). He served in key positions at CECONOMY AG and served as a director of Mergers & Acquisitions and Strategy at Federal-Mogul (USA). Since 2024 Mr. Blasé is a member of the Council of "ID Bank" CJSC.

Bank's 100% shareholder  
is "ID Group" CJSC

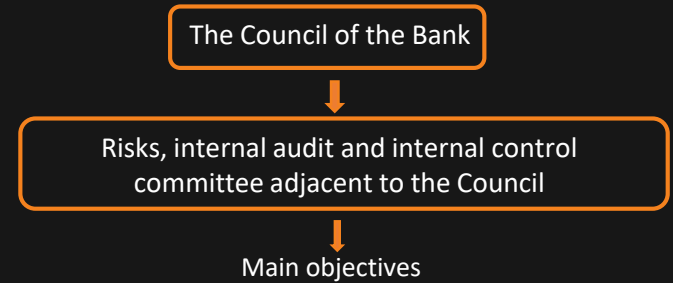


# Council of the Bank

The Council of the Bank conducts general management of the Bank's activity within the framework of issues reserved to the competence of the Council, in accordance with the law and the charter of the Bank.

Among the powers of the Council are:

1. Determining the main directions of the Bank's activity, including the approval of the strategic development plan,
2. Appointment of the members of the Bank's executive body,
3. Defining and approval of internal control standards in the Bank,
4. Submission of recommendations to the General Meeting of Shareholders on paying dividends,
5. Preliminary approval of the Bank's annual financial statements and their presentation to the General Meeting,
6. Adoption of decisions on placement of the Bank's bonds and other securities,
7. Adoption of decisions on opening branches, representations and offices of the Bank,
8. Conclusion of transactions with the presence of interest in the cases prescribed by legislation,
9. Adoption of decision on other issues as prescribed by law or the charter of the Bank.



The main objectives of the Committee are to assist in fulfilling the Council's duties to the Bank and its shareholders related to the risk management, internal audit and internal control, compliance with legal and regulatory requirements, transparency and integrity of financial information, and to ensure the implementation of management and control functions of the Council in terms of the operation of these systems.

## The main objectives of the Committee are:

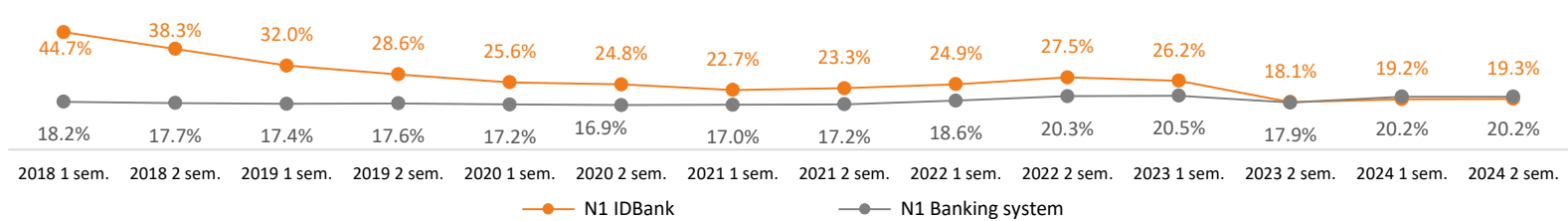
- 1) to assist the Bank's Council in supervising the activities of the Bank's executive bodies and ensure effective collaboration of the Bank's Council members with the Bank's management on issues within the scope of the Committee's competence.
- 2) to evaluate the effectiveness and adequacy of risk management systems, internal audit and internal control activities.

# Main economic normatives

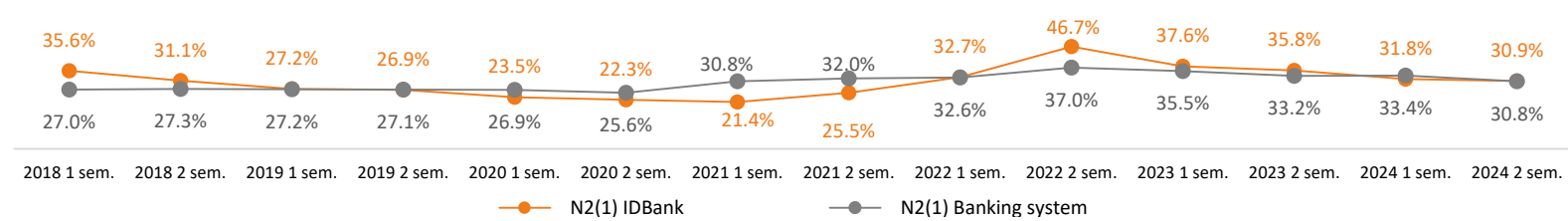
The two indicators characterizing the bank's financial stability - capital adequacy and liquidity, are above the required minimum level.

In the 2nd semester of 2024 the capital adequacy normative of the Bank amounted to 19.3% (minimum required value defined at 11%), and the overall and current liquidity normatives amounted to 30.9% and 76.6% respectively (minimum required value defined at 15% and 60% respectively).

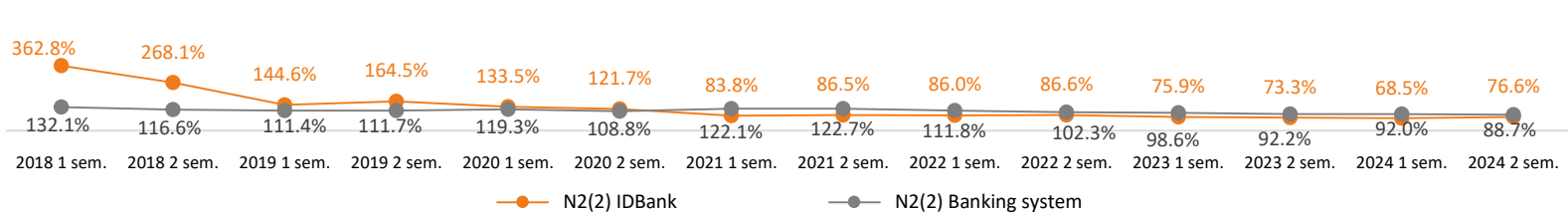
## Capital adequacy normative N1



## Overall liquidity normative N2(1)



## Current liquidity normative N2(2)





# Main approaches to risk management

## Credit risk management

In order to mitigate risks emerging in the lending process the Bank places the following principles within the lending process:

- ✓ Presence of loan purposefulness and sources of repayment
- ✓ The subject of pledge and the sensitivity of the latter to economic and market changes, as well as compliance with the loan/pledge ratio limits
- ✓ Current state of the economy sector of the potential borrower's activity, the experience of activities of the applicant in the given sector, the position in the sector, the competition degree and competition in the sector
- ✓ Presence of an operating business of the potential borrower, sustainable level of gross profit margin and/or good credit history
- ✓ Defining the limits of indicators describing the financial state of the potential borrower

Credit risk management is also implemented by defining the credit risk appetite and assessing the riskiness of the Bank's overall portfolio, developing and continuously updating scoring models.

## Liquidity risk management

In order to assess and limit the liquidity risk, the Bank follows both the main economic normatives of liquidity (general, current, LCR, NSFR liquidity normstives) and their internal stricter limits on a daily basis.

In addition to the above, liquidity risk management is also implemented through the Liquidity Gap (GAP) model and stress testing.

## Interest rate risk management

For the purpose of evaluation and limitation of the interest rate risk the bank performs interest rate evaluation based on interest rates in the market and brings them in line with the market indicators, constantly controls the maturity gap between assets and liabilities sensitive to interest rate, and in case of change of the market interest rates the risk of possible losses of the Bank as a result of those changes is being brought down to the minimum through quick response.

## Foreign currency risk management

For the purpose of foreign exchange risk management, the Bank manages foreign exchange open positions, following the maintenance of the limits of the established foreign exchange risk management normative and benchmark indicators.

## Operational risk management

For the purpose of identification and classification of operational risks the Bank performs monitoring of risks, maintains a database of operational risk incidents and identification of fraud risk

The bank takes continuous steps in the directions of developing information security systems and preventing online fraud.

## Country risk management

In case of conclusion of debit transaction with organizations registered and/or actually operating in other countries, opening correspondent accounts and assuming off-balance contingent liabilities, the Bank performs evaluation of the risk of the given country of that organization at the moment of conclusion of a transaction with the given country for the first time and in the future as well, based on the rating assigned to the given country by one of the international rating companies (Moody's, Standard&Poor's, Fitch) and the limits defined by the internal procedure.

## Money laundering and terrorist financing risks (ML/TF risks)

In order to prevent financial crimes in the system, and provide compliance with international sanctions, Bank defined AML and CTF measures including customer due diligence, suspicious nature of clients' activities and transactions.

Bank implemented software automation solutions (such as Siron analytical solutions, CRM, and others) to effectively detect and prevent illicit activities in real time and periodically throughout the business relationship, as well as keep Bank compliant with AML and sanctions regulations.

# Main approaches to risk management

## Reputational risk management

Reputational risk management aims at identifying the directions of the negative public opinion during the normal course of business of “IDBank” CJSC and defining the main directions of measures towards prevention/minimization of the reputational risk by the Bank.

The regulatory field applied in the Bank in terms of the abovementioned risks is regulated by internal legal acts of IDBank and relevant legal acts adopted by the RA Central Bank.

As of 31/12/2024 no violations in terms of normatives have been identified.

## Strategic risk management

In order to identify and assess the possibility of strategic risk, the Bank has implemented a Risk Appetite Monitoring System. In case of deviations from the risk appetite defined by the strategy, the Bank takes appropriate steps to reduce the risks.



# 4

## Financial reporting

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Independent auditor’s report  
on the summary financial statements

To the Shareholders and Council of  
ID Bank Closed Joint-Stock Company

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December 2024, and the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year ended 31 December 2024, and a related note, are derived from the complete audited financial statements of ID Bank Closed Joint-Stock Company for the year ended 31 December 2024.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in Note 1 to the summary financial statements.

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor’s report thereon.

The audited financial statements and our report thereon

We expressed unmodified opinion on the audited financial statements in our report dated 4 March 2025. That opinion includes information on key audit matters as well.

Management’s responsibility for the summary financial statements

Management is responsible for the preparation of a summary financial statements in accordance with the basis described in Note 1 to the summary financial statements.

Auditor’s responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Ernst & Young CJSC  
Yerevan, Armenia

Partner (Assurance)

Ruslan Khoroshvili

General Director

Eric Hayrapetyan

Responsible Auditor

Yelena Adamyan

4 March 2025

Note 1

In accordance with the Law on “Banks and Banking activities” and of the Republic of Armenia, ID Bank Closed Joint-Stock Company should publish its financial statements.

The accompanying summary financial statements, which comprise the summary statement of financial position as of 31 December 2024, and the summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year ended 31 December 2024, and a related note, are derived from the audited financial statements of the Bank for the year ended 31 December 2024 prepared in accordance with International Financial Reporting Standards.

The accompanying summary financial statements do not include all required information, which is presented in complete set of financial statements, particularly material accounting policy information and other clarifying information which is required to be disclosed according to the International Financial Reporting Standards.

A complete set of financial statements can be found on the website of ID Bank Closed Joint-Stock Company.

## Summary statement of Profit or Loss and Other comprehensive income

For the year ended 31 December 2024

	2024 AMD'000	2023 AMD'000
Interest income calculated using the effective interest method	31,532,439	25,931,049
Interest expense	(9,381,978)	(7,098,421)
<b>Net interest income</b>	<b>22,150,461</b>	<b>18,832,628</b>
Fee and commission income	13,090,630	10,361,438
Fee and commission expense	(9,687,118)	(6,863,060)
<b>Net fee and commission income</b>	<b>3,403,512</b>	<b>3,498,378</b>
Net foreign exchange gain	9,296,540	7,460,147
Net gain on financial instruments at fair value through profit or loss	528,261	1,069,273
Net realised gain/(loss) on investment securities	34,021	(93,720)
Share of the profit of associates accounted for using the equity method	1,091,379	575,245
Other operating income	650,828	233,476
Other operating expense	(462,915)	–
<b>Operating income</b>	<b>36,692,087</b>	<b>31,575,427</b>
Net impairment losses on financial instruments	(1,630,327)	(382,000)
Other impairment losses	(197,557)	–
Personnel expenses	(8,978,307)	(7,269,745)
Other general administrative expenses	(6,683,173)	(4,741,784)
<b>Profit before income tax</b>	<b>19,202,723</b>	<b>19,181,898</b>
Income tax expense	(3,403,538)	(3,424,768)
<b>Profit for the year</b>	<b>15,799,185</b>	<b>15,757,130</b>
<b>Other comprehensive (loss)/income, net of income tax</b>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Movement in fair value reserve for investment securities:		
Net change in fair value	278,572	302,230
Net amount reclassified to profit or loss	(837)	87,786
<b>Total items that are or may be reclassified subsequently to profit or loss</b>	<b>277,735</b>	<b>390,016</b>
<b>Other comprehensive income/(loss) for the year, net of income tax</b>	<b>277,735</b>	<b>390,016</b>
<b>Total comprehensive income for the year</b>	<b>16,076,920</b>	<b>16,147,146</b>

## Summary statement of Financial position

As of 31 December 2024

	2024 AMD'000	2023 AMD'000
<b>ASSETS</b>		
Cash and cash equivalents	39,267,755	36,606,515
Amounts receivable under reverse repurchase agreements	14,606,422	8,606,787
Loans and advances to banks and other financial institutions	61,925,847	63,515,077
Financial instrument measured at fair value through profit or loss	870,332	449,838
Investment securities measured at fair value through other comprehensive income		
Held by the Bank	15,339,459	10,812,707
Pledged under sale and repurchase agreements	385,583	–
Investment securities measured at amortized cost		
Held by the Bank	46,323,507	54,361,958
Pledged under sale and repurchase agreements	14,692,076	6,646,146
Loans to customers	200,859,003	158,884,500
Repossessioned assets	2,020,530	2,709,765
Investments in associates	7,586,623	7,575,245
Property, equipment and intangible assets	10,929,352	9,687,175
Right of use assets	3,456,651	3,188,475
Other assets	4,196,518	3,630,008
<b>Total assets</b>	<b>422,459,658</b>	<b>366,674,196</b>
<b>LIABILITIES</b>		
Amounts payable under repurchase agreements	17,095,588	8,010,540
Deposits and balances from banks and other financial institutions	71,711,412	57,310,415
Financial instrument measured at fair value through profit or loss	–	11,255
Current accounts and deposits from customers	223,020,022	209,920,125
Current income tax liabilities	2,073,310	2,258,501
Debt securities issued	17,120,222	15,506,851
Deferred tax liability	337,070	442,859
Lease liability	3,799,406	3,415,391
Other liabilities	12,840,916	6,313,467
<b>Total liabilities</b>	<b>347,997,946</b>	<b>303,189,404</b>
<b>EQUITY</b>		
Share capital	33,971,850	33,971,850
Share premium	5,014,099	5,014,099
Fair value reserve for investment securities	397,227	119,492
Retained earnings	35,078,536	24,379,351
<b>Total equity</b>	<b>74,461,712</b>	<b>63,484,792</b>
<b>Total liabilities and equity</b>	<b>422,459,658</b>	<b>366,674,196</b>

## Summary statement of Cash flows

For the year ended 31 December 2024

	2024 AMD'000	2024 AMD'000
<b>Cash flows from operating activities</b>		
Interest receipts	31,216,613	26,275,698
Interest payments	(9,757,342)	(6,746,112)
Fee and commission receipts	13,090,630	10,361,438
Fee and commission payments	(9,686,593)	(6,863,060)
Net payments from financial instruments at fair value through profit or loss	90,012	272,222
Net receipts from foreign exchange	9,692,900	8,288,866
Other income receipts	255,376	288,183
Personnel and other general administrative expenses payments	(11,102,753)	(9,147,534)
<b>(Increase)/decrease in operating assets</b>		
Financial instrument measured at fair value through profit or loss	6,468	678,417
Amounts receivable under reverse repurchase agreements	(6,011,065)	7,293,125
Loans and advances to banks and other financial institutions	(215,641)	(20,856,671)
Loans to customers	(44,807,782)	(38,058,088)
Repossessioned assets	481,624	572,884
Other assets	-	(262,859)
<b>Increase/(decrease) in operating liabilities</b>		
Deposits and balances from banks and other financial institutions	15,300,165	9,376,019
Amounts payable under repurchase agreements	9,098,517	8,007,628
Current accounts and deposits from customers	18,468,971	18,339,456
Other liabilities	58,297	104,285
<b>Net cash from operating activities before income tax paid</b>	<b>16,178,397</b>	<b>7,923,897</b>
Income tax paid	(3,755,484)	(4,133,155)
<b>Cash flows from operating activities</b>	<b>12,422,913</b>	<b>3,790,742</b>
<b>Cash flows from investing activities</b>		
Acquisition of investment securities measured at FVOCI	(26,735,877)	(11,910,651)
Acquisition of investment securities measured at amortised cost	(89,084,470)	(56,426,143)
Proceeds from sale and repayment of investment securities measured at FVOCI	22,049,808	9,463,826
Proceeds from repayment of investment securities measured at amortised cost	87,991,203	65,443,788
Acquisition in associates	-	(7,000,000)
Dividend received	1,080,000	-
Purchases of property, equipment and intangible assets	(2,973,827)	(3,493,292)
Sale of property, equipment and intangible assets	44,022	8,124
<b>Cash flows used in investing activities</b>	<b>(7,629,141)</b>	<b>(3,914,348)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of debt securities	8,499,839	6,208,154
Repayment of debt securities issued	(6,673,525)	(3,982,629)
Proceeds from borrowed funds	3,678,363	11,517,476
Repayment of borrowed funds	(3,706,737)	(3,290,975)
Dividends paid	(1,600,000)	(11,237,500)
Repayment of lease liability	(577,226)	(276,834)
<b>Cash flows (used in)/ from financing activities</b>	<b>(379,286)</b>	<b>(1,062,308)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,414,486</b>	<b>(1,185,914)</b>
Effect of changes in exchange rates on cash and cash equivalents	(1,754,003)	1,520,173
Effect of changes in ECL on cash and cash equivalents	757	(1,174)
Cash and cash equivalents as at the beginning of the year	36,606,515	36,273,430
<b>Cash and cash equivalents as at the end of the year</b>	<b>39,267,755</b>	<b>36,606,515</b>

## Summary statement of changes in Equity

For the year ended 31 December 2024

	Share capital	Share premium	Revaluation surplus for buildings	Fair value reserve for investment securities	Retained earnings	Total equity
<b>AMD'000</b>						
Balance as at 1 January 2023	33,971,850	5,014,099	96,917	(270,524)	19,859,721	58,672,063
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	15,757,130	15,757,130
<b>Other comprehensive loss</b>						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Net change in fair value of investment securities, net of deferred tax	-	-	-	302,230)	-	302,230
Net change in fair value of investment securities transferred to profit or loss, net of deferred tax	-	-	-	87,786	-	87,786
<i>Total items that are or may be reclassified subsequently to profit or loss</i>	-	-	-	390,016	-	390,016
<b>Total other comprehensive loss</b>	-	-	-	390,016	-	390,016
<b>Total comprehensive income for the year</b>	-	-	-	390,016	15,757,130	16,147,146
Dividends paid	-	-	-	-	(11,237,500)	(11,237,500)
Reversal of revaluation surplus	-	-	(96,917)	-	-	(96,917)
<b>Balance as at 31 December 2023</b>	<b>33,971,850</b>	<b>5,014,099</b>	<b>-</b>	<b>119,492</b>	<b>24,379,351</b>	<b>63,484,792</b>
	Share capital	Share premium	Revaluation surplus for buildings	Fair value reserve for investment securities	Retained earnings	Total equity
<b>AMD'000</b>						
Balance as at 1 January 2024	33,971,850	5,014,099	-	119,492	24,379,351	63,484,792
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	15,799,185	15,799,185
<b>Other comprehensive loss</b>						
<i>Items that are or may be reclassified subsequently to profit or loss:</i>						
Net change in fair value of investment securities, net of deferred tax	-	-	-	278,572	-	278,572
Net change in fair value of investment securities transferred to profit or loss, net of deferred tax	-	-	-	(837)	-	(837)
<i>Total items that are or may be reclassified subsequently to profit or loss</i>	-	-	-	277,735	-	277,735
<b>Total other comprehensive loss</b>	-	-	-	277,735	-	277,735
<b>Total comprehensive income for the year</b>	-	-	-	277,735	15,799,185	16,076,920
Dividends paid	-	-	-	-	(5,100,000)	(5,100,000)
<b>Balance as at 31 December 2024</b>	<b>33,971,850</b>	<b>5,014,099</b>	<b>-</b>	<b>397,227</b>	<b>35,078,536</b>	<b>74,461,712</b>

# STATEMENT OF RESPONSIBLE PERSONS

We hereby assure that to the best of our knowledge:

- 1. The financial statements accurately and completely reflect the real picture of the Bank's assets, liabilities, financial position, income and expenses, and the annual report of the management bodies accurately and completely reflects the Bank's general condition, business results and development, and includes the description of the main risks with which the Bank has been or is related to.
- 2. The 2024 audited financial statements are prepared in accordance with the international financial reporting standards and, in all essential respects, accurately and completely reflect the real picture of the Bank's assets and liabilities, financial position, income and expenses as of December 31, 2024.

<b>Mher Abrahamyan</b>  (First name, Last name)	Chairman of the Management Board  (position)  Director of Investment Business, Management Board Member
<b>Arman Asatryan</b>  (First name, Last name)	(position)  Business Development Director, Management Board Member
<b>Karen Nalbandyan</b>  (First name, Last name)	(position)  Risk Management Director, Management Board Member
<b>Artur Hambardzumyan</b>  (First name, Last name)	(position)  Chief Accountant, Management Board Member
<b>Anushik Khachatryan</b>  (First name, Last name)	(position)  Digital Banking Director, Management Board Member
<b>Sergey Arakelyan</b>  (First name, Last name)	(position)  Financial Director, Management Board Member
<b>Lilit Sargsyan</b>  (First name, Last name)	(position)  Operational Director, Management Board Member
<b>Lilit Grigoryan</b>  (First name, Last name)	(position)