“ANIV” UNIVERSAL CREDIT ORGANIZATION LLC

FINANCIAL STATEMENTS
in Armenian Drams

31 December 2024

Yerevan 2025

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18.06.2025
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CONFIRMED BY:

V. GEVORGYAN

General Director
Baker Tilly Armenia CJSC

INDEPENDENT AUDITOR'S REPORT

To Participant of Aniv UCO LLC

Opinion

We have audited the accompanying financial statements of Aniv UCO LLC (the Company), which comprise the Statement of Financial Position as at 31 December 2024, the Statement of Profit or Loss and other Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year that ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and with the ethical requirements that are relevant to our audit of the financial statements in Armenia, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information or business activities of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Auditor

Sh. Tashchiyan

18.06.2025

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

	Notes	2024	(AMD ths) 2023
Interest and similar income	4	146,460	140,168
Interest and similar expense	4	(31,993)	(31,413)
Net Interest Income		**114,467**	**108,755**
Net gain/(loss) from foreign currency transactions		(4,594)	2,354
Other operating income	5	20,231	14,897
Operating income		**130,104**	**126,006**
Impairment loss		17,346	16,841
Expenses as regards employees	6	(67,271)	(61,732)
Other general administrative expenses	7	(27,814)	(25,885)
Profit before taxation		**52,365**	**55,230**
Profit tax expense	8	(9,509)	(11,944)
(Loss) / Profit after taxation		**42,856**	**43,286**
Other comprehensive income			
Comprehensive Income		**42,856**	**43,286**

The Notes 1 to 19 are an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2024

(AMD ths)

	Notes	2024	2023
Assets			
Cash means and cash equivalents		464	1,459
Means allocated at banks	9	99,334	107,285
Loans provided	10	1,220,436	1,097,406
Property and equipment		9,105	11,430
Deferred tax asset	8	97	335
Other Assets	11	16,563	20,069
Total Assets		**1,345,999**	**1,237,984**
Liabilities			
Loans and borrowings attracted	12	847,164	778,783
Current tax liability		8,522	12,376
Other Liabilities		7,084	6,452
Liabilities		**862,770**	**797,611**
Equity			
Share Capital	13	170,000	170,000
General Reserve		32,000	32,000
Accumulated profit		279,420	236,564
Revaluation		1,809	1,809
Total Equity		**483,229**	**440,373**
Total Liabilities and Equity		**1,345,999**	**1,237,984**

«ԱՆԻՎ» "ANIV" 01565655

Executive Director
Edgar Galstyan
18.06.2025

Chief Accountant
Suren Yeganyan

The Notes 1 to 19 are an integral part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2024

(AMD ths)

	Share capital	General reserve	PPE Revaluation Reserve	Retained Earnings		Total
Balance as at 31 December 2022	**170,000**	**32,000**	**1,809**	**218,278**		**422,087**
Dividend						**-**
Profit for the Period				(25,000)		**(25,000)**
Allocations to the general reserve		**-**	**-**	43,286		**43,286**
Balance as at 31 December 2023	**170,000**	**32,000**	**1,809**	**236,564**		**440,373**
Profit for the Period						**-**
Dividend					**-**	**-**
Profit for the Period				42,865		**42,856**
Allocations to the general reserve			**-**	**-**		**-**
Balance as at 31 December 2024	**170,000**	**32,000**	**1,809**	**279,420**		**483,229**

The Notes 1 to 19 are an integral part of these financial statements.

Statement of Cash Flows
For the year ended 31 December 2024

	2024	2023
	(AMD ths)	*(AMD ths)*
Cash Flows from Operating Activity		
Interest received	143,988	145,561
Interest paid	(24,517)	(24,470)
Salary paid and other equivalent payments	(56,199)	(68,217)
Other income received	6,108	5,287
Other payments regarding general administrative expenses	(28,834)	(9,766)
Net cash flows before operating assets and liability changes	**40,546**	**48,395**
Loans provided to customers (increase) / decrease	(108,193)	93,965
Net cash flows from other operating activity	5,069	(7,910)
Net cash flows from operating assets and liability changes	**(103,124)**	**86,055**
Net Cash Flows from Operating Activity	**(62,578)**	**134,450**
Cash Flows from Investing Activity		
Net Cash Flows from Other Investing Activity	**-**	**-**
Net Cash Flows from (used for) Investing Activity	-	-
Cash Flows from Financing Activity		
Dividends paid		(25,000)
Increase (decrease) of loans attracted	61,625	(133,702)
Net Cash Flows from Financing Activity	**61,625**	**(158,702)**
Net decrease in cash and bank balances	**(953)**	**(24,252)**
Effect of exchange rate fluctuation on cash and cash equivalents	(42)	(509)
Cash and bank balances at the beginning of the year	1,459	26,220
Cash and bank balances at the end of the year	**464**	**1,459**

The Notes 1 to 19 are an integral part of these financial statements.

Notes attached to the Financial Statements

1. Main Activity

“Aniv” Universal Credit Organization Limited Liability Company (hereinafter, “the Company”) was founded in the year 2008. The Company’s activity mainly aims at the provision of microloans for the purpose of reducing the number of vulnerable social group members and ensuring sustainable income in rural areas, and attraction of borrowings to develop that activity.

The only participant of the Company is Aniv Rural Small and Medium Business Support Foundation.

The main source of the Company’s funding is the borrowings from the shareholders.

The Company’s office is located at 35/6 Nalbandyan Str., Yerevan, Armenia.

The average number of the Company’s employees for the year ended 31 December 2024 was 12 (for the year 2023: 11).

2. Basis for the Preparation

The Financial Statements have been prepared on a fair value basis for financial assets and liabilities at fair value through profit or loss and available for sale assets, except for those assets, for which a reliable measure of fair value is not available. Other financial assets and liabilities are stated at their amortized cost, and non-financial assets and liabilities are stated at their historical cost.

The Financial Statements are presented in Armenian Drams (AMD) which is the functional currency of the Company as well. The numbers have been rounded off to the nearest thousand, if nothing else is indicated.

The Financial Statements have been prepared in accordance with the requirements of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and official Interpretations (together referred to as IFRS).

Standards and interpretations not yet implemented by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to the existing Standards have been published but are not yet effective. The Company has not early adopted any of these pronouncements.

Management anticipates that the applicable new standards and interpretations will be adopted by the Company for the first period beginning after the effective date of the pronouncement.

Management does not anticipate that the presented below amendments will have a material impact on the Company’s financial statements.

- Classification of liabilities as current or non-current (Amendments to IAS 1),
- Lease liability in a sale and leaseback (Amendments to IFRS 16),
- Supplier Financial Arrangements (Amendments to IAS 7 and IFRS 7),
- Non-current Liabilities with Covenants (Amendments to IAS 1),
- Lack of Exchangeability (Amendments to IAS 21).

3. Accounting Policy

Interest income and expense

Interest income is recognized on an accrual basis by applying the effective interest rate method to the gross amount of the financial asset, except for the assets being impaired at the time of acquisition or due to significant increase in credit risk during the asset operation, in which case the effective interest rate method is applied based on the amortized value of the asset.

Interest expense is recognized on an accrual basis by applying the effective interest rate method to the amortized value of the financial liability.

The effective interest rate method is a method of calculating the amortized value of a financial asset or financial liability (or group of financial assets and liabilities) and of allocating interest income and expense over the relevant period of time. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, in appropriate cases, a shorter period of time, to the net carrying amount of the financial asset or liability.

Transaction costs include additional costs that are directly attributable to the acquisition or issuance of a financial asset or liability.

Foreign Currency Transactions

The Company's transactions in currencies other than the functional currency are recorded at the rates of exchange defined by the Central Bank of Armenia prevailing on the dates of the transactions. Financial assets and financial liabilities denominated in foreign currencies are reflected through translation at the rates published by the Central Bank of Armenia as at the reporting date. Exchange differences arising from the re-measurement of financial assets and liabilities are recognized directly in profit or loss.

Business Model Assessment

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

- The stated policy and objectives for the portfolio and the operation of that policy in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining the particular structure of financial assets, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and the expectations about future sales.

Assessment of whether the Contractual Cash Flows are Solely Payments of Principal and Interest

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes the assessment of whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows.

Financial Instruments

The Company recognizes financial assets and liabilities in its statement of financial position when it becomes a contractual party to the financial instrument.

At initial recognition, financial assets and liabilities are measured at fair value. In case of financial assets or liabilities not included in the group of financial instruments measured at fair value through profit or loss, expenditures related to the transaction, which are directly attributable to the acquisition or issuance of financial asset or liability, are added to (or deducted from) the fair value. Expenditures related to the transaction, which are directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss, are directly recognized in profit or loss.

Financial Assets

Financial assets are classified as follows:

a) financial assets measured at fair value through profit or loss (FVTPL);
b) financial assets measured at fair value through other comprehensive income (FVOCI);
c) financial assets measured at amortized value;

The classification depends on the nature of cash flows generated from financial assets and the business model within which the asset is held and designated on initial recognition.

a) financial assets measured at fair value through profit or loss

Financial asset is classified as “measured at fair value through profit or loss” if it is classified neither as measured at amortized cost (as described below) nor as measured at FVOCI (as described below).

b) financial assets measured at fair value through other comprehensive income (FVOCI)

Financial asset is classified as “measured at fair value through other comprehensive income” (FVOCI) if:

- It is held under a business model, which aims at collecting contractual cash flows and selling financial assets; and
- At initial recognition, it forms a part of the portfolio of certain financial instruments managed jointly by the Company and has a realistic possibility of short-term profit making; or
- Its contractual terms give rise to cash flows on specified dates, which are solely payments of principal and interest on the principal amount outstanding.

c) financial assets measured at amortized cost

Financial asset is classified as “measured at amortized cost” if it complies with the following two conditions and has not been designated as measured at FVTPL:

- It is held under a business model, which aims at holding assets to collect contractual cash flows;
- Its contractual terms give rise to cash flows on specified dates, which are solely payments of principal and interest on the principal amount outstanding.

The Company’s principal financial assets are classified as “measured at amortized cost”.
The accounting policy for this class is presented below.

Financial assets measured at amortized cost

These assets mainly include financial assets held to collect contractual cash flows (e.g. loans to customers), while contractual cash flows are payments of principal and interest. These assets are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition or issue, and are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

The Company’s financial assets measured at amortized cost comprise placements with banks, cash and cash equivalents and loans to customers. Cash and cash equivalents include cash and on-demand deposits in banks.

Impairment

Financial assets being a debt instrument and not classified as measured at FVTPL are subject to impairment testing using the expected debt loss model. According to this model a debt loss provision shall be recognized in the amount of expected credit loss (ECL) for 12 months after the reporting date. However, if the instrument’s credit risk has significantly increased since its initial recognition, the provision should be recognized in the amount of ECL for the whole life of the instrument.
12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. It is measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows receivable in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

Evidence that a financial asset is credit-impaired includes the following observable data:

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

- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- the borrower's probable bankruptcy or other financial reorganization.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is overdue for 90 days or more is considered impaired.

Presentation of allowance for ECL in the financial statement

Allowance for ECL for financial assets measured at amortized cost is deducted from the gross carrying amount of the assets and is presented on the net basis in the statement of financial position.

Write off of loans

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. The Company should reclassify financial assets if the Company changes its business model for managing those financial assets. Such changes are expected to be very infrequent. Such changes are determined by the Company's senior management as a result of external or internal changes and must be significant to the Company's operations and demonstrable to external parties.
Financial liabilities are not reclassified subsequent to their initial recognition.

De-recognition of financial assets

The Company derecognizes financial assets when the contractual rights with respect to cash flows resulting from the financial asset become void, or when these rights are transferred to a third party. If the Company substantially neither transfers nor retains all the risks and returns related to ownership of the financial asset, but retains control over the transferred asset, the Company continues to recognize the financial asset, as well as its associated liability to the extent that its involvement in the financial asset is kept. If the Company substantially retains all the risks and returns related to ownership of the financial asset, the Company shall continue to recognize the financial asset, as well as the borrowing pledged as collateral for the received return.

Financial Liabilities

The Company classifies its financial liabilities as "measured at amortized cost".
Bank and other borrowings are initially recognized at fair value less costs attributable to the transaction.
Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the repayment period is calculated at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest payable while the liability is outstanding.

Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

Dividends

The Company's ability to declare and pay dividends is determined according to the legislation of the Republic of Armenia.

Deferred Taxes

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in transactions other than a business combination, that affects neither accounting nor taxable profit at the time of the transaction; and
- Investments in subsidiaries and jointly controlled entities where it is probable that the difference will not reverse in the foreseeable future.

A deferred tax asset is recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled.

Deferred tax assets and liabilities are offset if the Company has the legal right to settle current tax amounts on a net basis and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Provisions

Provisions are recognized when the Company has a present (legal or constructive) obligation as a result of a past event, and it is probable that it will be required to settle the obligation, and the amount of the obligation can be reliably measured.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, the amount of the provision represents the present value of the expenditures which are expected to settle that obligation.

When some or all of the expenditures required to settle a provision are expected to be recovered by a third party, the reimbursement will be treated as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably in case the obligation is settled by the Company.

4. Net Interest Income

(AMD ths)

	2024	2023
Interest income		
Loans to customers	135,790	125,376
Funds placed in banks	10,670	14,792
	146,460	**140,168**
Interest expense		
Loans and borrowings attracted	(31,993)	(31,413)
	(31,993)	**(31,413)**
Net interest income	**114,467**	**108,755**

5. Other Operating Income

(AMD ths)

	2024	2023
Income from fines and penalties	19,067	14,278
Income from disposal of buildings and construction	-	-
Other income	1,164	619
	20,231	**14,897**

6. Expenses regarding employees

	2024	*(AMD ths)* 2023
Salary and other equivalent payments	(45,751)	(41,696)
Bonuses and additional payments	(14,372)	(15,341)
Annual leave payments	(6,898)	(4,231)
	(250)	(200)
Other	**(67,271)**	**(61,732)**

7. Other General Administrative Expenses

	2024	*(AMD ths)* 2023
Maintenance of assets	(7,188)	(6,213)
Communication	(1,042)	(974)
Lease expense	(2,795)	(2,820)
Office and utility expenses	(657)	(798)
Advertisement	(294)	(140)
Consulting	(1,200)	(1,200)
Representation expenses	(445)	(338)
Non-refundable taxes and dues	(6,257)	(6,355)
Depreciation	(2,325)	(2,354)
Other expenses	(5,611)	(4,693)
	(27,814)	**(25,885)**

8. Profit Tax Expense

	2024	*(AMD ths)* 2023
Current tax expense	(9,271)	(14,594)
Deferred tax (expense)/refund	(238)	2,650
	(9,509)	**(11,944)**

The reasons for the difference between the actual tax expenses for the year and the profit tax rate set in the Republic of Armenia are presented below.

The interrelation between profit tax expense and accounting profit.

	2024	Effective rate (%)	2023	Effective rate (%)
Profit/(loss) before taxation	52,365		55,231	
Profit tax at 18%	9,426	18	9,943	18
Non-taxable income/ non-deductible expense	82	0	2,002	4
Profit tax expense/(refund)	**9,508**	**18**	**11,945**	**22**

Details of the impact of deferred tax assets, amounts recognized in profit or loss and the adjustment in accordance with IFRS 9 are presented below.

			(AMD ths)
	31.12.23	**Reduced at the expense of profit or loss**	**31.12.24**
Provisioning for loans and borrowings	335	(335)	-
Unused vacation	-	895	895
Deferred tax assets	**335**	**560**	**895**
Provision for loans and borrowings	-	(798)	(798)
Deferred tax liabilities		**(798)**	**(798)**
	335	**(238)**	**97**

9. Placements with Banks

		(AMD ths)
	2024	**2023**
Bank deposits	108,338	108,386
Provision for bank deposits	(1,004)	(1,101)
	99,334	**107,285**

10. Loans Provided to Customers

		(AMD ths)
	2024	**2023**
Gross Loans provided to customers	1,233,479	1,111,363
Loan impairment reserve	(13,043)	(13,957)
Loans to customers, net	**1,220,436**	**1,097,406**

The table below summarizes the movement of loan impairment reserve by classes as of 31 December 2024 and 2023.

		(AMD ths)
	2024	**2023**
Opening balance	13,957	7,761
Net expense	(13,043)	(13,957)
Net write-offs	12,129	20,153
Closing balance	**13,043**	**13,957**

The Analysis of provided loans by economic sectors as of 31 December 2024 and 2023 is as follows:

		(AMD ths)
	2024	**2023**
Agriculture	758,625	748,226
Trade	171,437	122,851
Industry	69,062	57,677
Lodging and catering arrangement	72,907	83,754
Other economic sectors	161,448	98,855
	1,233,479	**1,111,363**
Impairment reserve	**(13,043)**	**(13,957)**
	1,220,436	**1,097,406**

As of 31 December 2024, and 2023, all customer loans were provided to individuals and organizations operating in the Republic of Armenia, indicating significant geographical concentration in one region.

The table below presents information on the quality indicators of the customer loans portfolio as of 31 December 2024 and 2023, under IFRS 9.

	Stage 1			Stage 2			Stage 3			Total Loans
As at 31 Dec. 2024	**Gross**	**Reserve**	**Net**	**Gross**	**Reserve**	**Net**	**Gross**	**Reserve**	**Net**	
Loans										
Term loans	1,207,399	9,975	1,197,424	22,923	1,045	21,878	-	-	-	**1,219,302**
Overdue and impaired loans										
From 1 to 30 days	-	-	-	-	-	-	-	-	-	-
From 31 to 60 days	-	-	-	-	-	-	-	-	-	-
From 61 to 90 days	-	-	-	-	-	-	-	-	-	-
Over 90 days overdue	-	-	-	-	-	-	3,157	2,023	1,134	**1,134**
Total loans	**1,207,399**	**9,975**	**1,197,424**	**22,923**	**1,045**	**21,878**	**3,157**	**2,023**	**1,134**	**1,220,436**

As at 31 December 2024 and 2023, the Company did not have individually significant borrowers

11. Property and equipment and intangible assets

	Property and office equipment	Computer	Vehicles	Other PPE	Intangible assets	Total
Cost of asset						
as of 1 January 2023	310	903	13,984	54	990	16,241
Addition	398	510	-	-	-	908
Disposal	-	(139)	-	-	-	(139)
as of 31 December 2023	708	1,274	13,984	54	990	17,010
Addition	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
as of 31 December 2024	708	1,274	13,984	54	990	17,010
Depreciation						
as of 1 January 2023	5	279	2,857	15	275	3,431
Addition	72	486	1,602	7	121	2,288
Disposal	-	(139)	-	-	-	(139)
as of 31 December 2023	72	626	4,459	22	396	5,580
Addition	142	296	1,748	7	132	2,325
Disposal	-	-	-	-	-	-
as of 31 December 2024	219	922	6,207	29	528	7,905
Carrying amount						
as of 31 December 2023	**631**	**648**	**9,525**	**32**	**594**	**11,430**
as of 31 December 2024	**489**	**352**	**7,777**	**25**	**462**	**9,105**

12. Other Assets

	2024	2023 *(AMD ths)*
Prepayments	-	-
Accounts receivable regarding Budget	1,394	3,861
Accounts receivable regarding employees	4,700	5,800
Confiscated property	4,535	4,524
Other	6,058	6,047
Reserve	(124)	(163)
Loans to customers, net	**16,563**	**20,069**

13. Loans and borrowings attracted

(AMD ths)

	Currency	Maturity	Rate (%)	31.12.24	31.12.23
Secured borrowing from FFPMC SI	AMD dram	2030	4.0%	592,817	592,938
Unsecured loan from Orton-Yalkezian Inc.	AMD dram	2026	4.0%	192,553	185,845
Unsecured loans from commerical banks	AMD dram	2025	11.0%	61,794	-
				847,164	**778,783**

Fair values of borrowed funds approximate their nominal values.

14. Share Capital

The authorized, issued and outstanding share capital comprises one share of AMD 170,000 thousand. The holder of the share is entitled to receive dividends as declared from time to time.

15. Contingent Liabilities

As of 31 December 2024, and 2023, the Company had no liabilities related to equity investments.
As of 31 December 2024, and 2023, the Company provided no guarantees regarding repayment of liabilities of any party.
As of 31 December 2024, and 2023, there were no significant legal actions against the Company.

16. Related party transactions

The only participant of the Company is Aniv Rural Small and Medium Business Support Foundation (registered in the Republic of Armenia).
Key management personnel compensation is presented below. There were no other transactions with related parties during the reporting period.

Key management personnel compensation

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company.
The costs related to the remuneration of key management personnel are presented below:

	2024	2023
Salary and other compensations	19,088	24,273

17. Fair value measurement

A number of assets and liabilities require measurement at and/or disclosure of fair value in the financial statements of the Company.

When measuring the fair value of financial and non-financial assets and liabilities, the Company utilizes observable market inputs as far as possible. Inputs used for fair value measurement are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the "fair value hierarchy").

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Classification of assets and liabilities into the above levels is based on the lowest level inputs used that have a significant effect on the fair value measurement. Transfer of items from one level to another is recognized in the period it occurs.

17.1 Fair value measurement of financial instruments

The following table presents the mentioned levels in the hierarchy of financial assets and financial liabilities measured at fair value on a regular basis as at 31 December 2024.

	Fair value	**Valuation method**	**Level of fair value hierarchy**	**Significant non-observable inputs**
Loans provided	1,220,436	Fair value of the loans is measured by discounting the future contracted cash flows at the current market interest rates.	Level 2	12-14% discount rate
Funds placed in banks	99,334	The carrying amount of short term (less than 12 months) payables approximates their fair value.	Level 2	9% discount rate
Borrowings and loans attracted	847,164	Fair value of borrowings and loans is measured by discounting the future contracted cash flows at the current market interest rates.	Level 2	4% discount rate

18. Maturity Analysis for Financial Assets and Liabilities

The table below shows the financial assets and liabilities analysis according to their expected settlement periods:

(AMD ths)

	Less than 3 month	**3-6 month**	**6-12 month**	**1-5 year**	**More than 5 years**	**Total**
As of 31 December 2024						
Assets						
Funds placed in banks	334	-	99,000	-	-	99,334
Loans to customers	53,478	137,358	264,983	403,356	361,261	1,220,436
	53,812	**137,358**	**363,983**	**403,356**	**361,261**	**1,319,770**
Liabilities						
Loans and borrowings	-	-	-	254,347	592,817	847,164
	-	-	-	**254,347**	**592,817**	**847,164**

19. Risk Management

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

Taking risk is at the core of the financial activity, and the operational risks are an inevitable consequence of being in business. Therefore the Company aims at achieving an appropriate balance between risk and return and minimizing potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyze these risks, set appropriate risk limits and controls, and monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

Risk management is carried out by the Company Management. The Management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The most important types of risk are credit risk, liquidity risk, market risk and other operational risks. Market risk includes interest rate and other price risks.

Credit risk

The Company's maximum exposure to credit risk varies significantly and is dependent on both individual risks and general market economy risks. The maximum exposure for the on-balance-sheet financial assets is equal to the carrying amount of those assets without taking into account any offset or the effect of collateral held.

Below is the maximum exposure of financial assets to credit risk as at the reporting date.

(AMD ths)

	2024	2023
Cash and cash equivalents	464	1,459
Funds placed in banks	99,334	107,285
Loans provided to customers	1,220,436	1,097,406
	1,320,234	**1,206,150**

The carrying amounts above best represent the maximum exposure to credit risk taking into account any collateral held or personal guarantees obtained. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant. The analysis of loans to customers and concentration of credit risk in respect of loans to customers is presented in note 10

Geographical areas

As at 31 December 2024 and 2023, the Company's credit risks are totally centralized in the Republic of Armenia.

Risk limits control and mitigation policy

The Company manages limits and controls concentrations of credit risk wherever they are identified, in particular, to individual counterparties and groups, and to industries and to geographical areas.

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or group of borrowers. Similar risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Collateral

The Organization employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is a common practice. The Company sets guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgage over real estate;
- Guarantee.

The analysis of loan portfolio by collateral is presented below:

	(AMD ths) **2024**
Guarantee	569,192
Real estate collateral	513,483
Vehicles	54,202
Cash collateral	68,145
Other collateral	15,414
	1,220,436

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk includes currency, interest rate and other price risks. Market risk arises from open positions on interest and currency which are subject to general and specific changes in the market and market price fluctuation.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to the effects of fluctuation in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may also decrease or create losses if unexpected movements occur.

Average effective interest rates

The table below presents the average effective interest rates for the Company's interest-bearing assets and liabilities as of 31 December 2024 and 2023. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

	2024 average effective interest rate		**2023 average effective interest rate**	
	AMD	**USD**	**AMD**	**USD**
Interest bearing assets				
Means allocated in banks	9%	-	9%	-
Loans provided to customers	12.45%	12.72%	11.83%	12.74%
Interest bearing liabilities				
Loans and borrowings attracted	4.51%	-	4	-

Currency risk

Currency risk arises when the Company's individual entities enter into transactions denominated in a currency other than their functional currency.

Then Company's currency risk arises mainly from changes in exchange rates related to USD-denominated loans, which may result in significant losses for the Company. This risk is actually not controlled by the Company, taking into account the related management costs and lack of necessary management tools for such risks.

The Company's exposure to foreign currency exchange risk as of 31 December is as follows:

USD	2024	2023
		(AMD ths)
ASSETS		
Cash and cash equivalents	-	-
Loans provided to customers	207,894	170,685
Total assets and net position	**207,894**	**170,685**

To measure foreign currency financial instruments in Armenian Drams as of the reporting date, the Company used the rate published by the RA Central Bank on the same date, that is AMD 396.56 for USD 1 (as of 31.12.2023 – AMD 404.79 for USD 1). The effect of a 10% strengthening of USD against AMD at the reporting date on the USD-denominated financial instruments, all other variables held constant, would have resulted in an increase in post-tax profit for the year and net assets of AMD 20,800 thousand (2023 - AMD 17,066 thousand). A 10% weakening would, on the same basis, have decreased post-tax profit and net assets in the same amount.

Liquidity risk

Liquidity risk arises from the Company's management of working capital, the finance charges and principal repayments on its debt instruments. It is the risk that the Company will be unable to meet its financial obligations when they fall due.

The Company's policy is to ensure that it will always have sufficient cash available to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Company also seeks to reduce liquidity risk by involving fixed rate borrowings; this is further discussed in the "Interest rate risk" section.

To ensure the liquidity risk is effectively managed for any transaction, the Company provides appropriate funds, the amount of which depends on the budget. The budgets are approved by the Board, enabling the Company's cash requirements to be anticipated. Where the amount of the facility is above a certain level, the approval of the Board is needed.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of the Company's financial liabilities as of 31 December 2024:

	From 1 to 5 years *AMD ths.*	**More than 5 years** *AMD ths.*	**Total**	**Carrying amount**
As at 31 December 2024				
Loans and borrowings involved	263,241	758,806	1,022,047	847,164
	263,241	**758,806**	**1,022,047**	**847,164**

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The RA Central Bank (CBA) sets and monitors capital requirements for the Company. Under the current capital requirements set by the CBA, universal credit organizations as of 31 December 2024 have to maintain a minimum share capital of AMD 150,000 thousand (31 December 2023: AMD 150,000 thousand).

The following table analyses the Company's capital resources for capital adequacy.

	2024 *(AMD ths)*	**2023** *(AMD ths)*
Loans and borrowings involved	847,164	800,450
Less: Cash and cash equivalents	-	-
Net debt	847,164	800,450
Equity	483,229	422,087
Net debt to equity ratio (%)	1,75	**1.90**