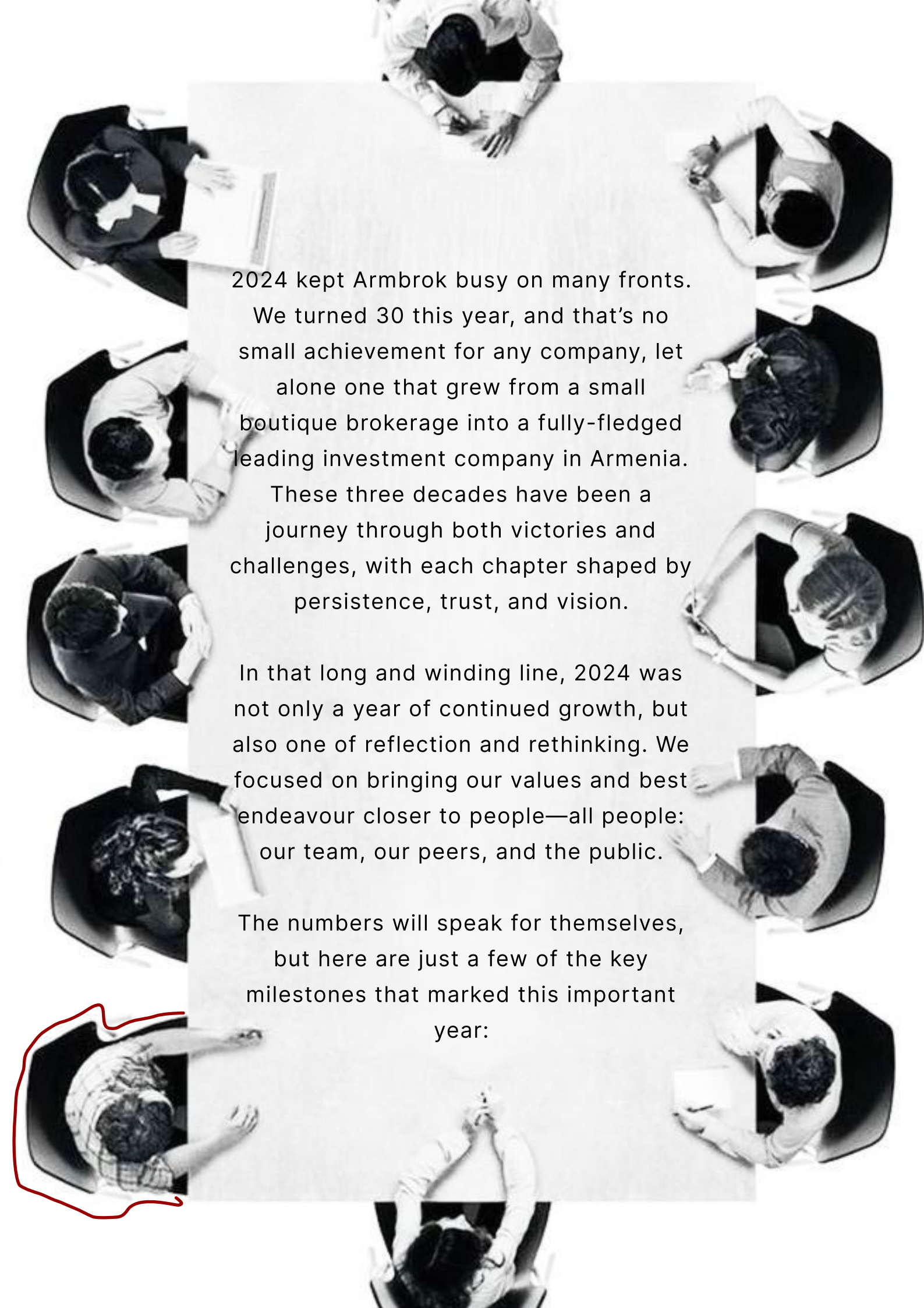




ANNUAL REPORT 2024



2024 kept Armbrok busy on many fronts.

We turned 30 this year, and that's no small achievement for any company, let alone one that grew from a small boutique brokerage into a fully-fledged leading investment company in Armenia.

These three decades have been a journey through both victories and challenges, with each chapter shaped by persistence, trust, and vision.

In that long and winding line, 2024 was not only a year of continued growth, but also one of reflection and rethinking. We focused on bringing our values and best endeavour closer to people—all people: our team, our peers, and the public.

The numbers will speak for themselves, but here are just a few of the key milestones that marked this important year:

Armbrok continued supporting Armenia's most dynamic and transparent companies in raising capital for future development. While bond placements have become an established part of our services, this year brought a breakthrough in equity markets as well: we successfully completed the initial public offering (IPO) of Tel-Cell OJSC, Armenia's fintech pioneer and leader. With placement volume exceeding AMD 1.5 billion and more than 3,600 new shareholders, this public offering became a landmark event in engaging retail investors on an unprecedented scale.

We kept improving client experience—offering faster, more flexible services and expanding access to global financial markets. Our efforts to deepen cooperation with international institutions continued both regionally and globally. One of the key developments was Armbrok becoming a trading member of Kazakhstan's Astana International Exchange (AIX) and AIX CSD, the central depository. This enables our clients to invest directly in instruments listed and traded on AIX.

Our team also remained active on the international scene, participating in major industry events, including as speakers. These engagements help us stay in sync with evolving global standards and bring that expertise back home, ultimately passing the benefits of that knowledge and network to our clients.





Armbrok





STRENGTHENING ENGAGEMENT AND COMMUNITY

Perfecting our business activities and building long-term success would be impossible without the dedication, resilience, and collaborative spirit of Armbrok's team. Our people are the heartbeat of our company, a source of strength, innovation, and continuity. 2024 reminded us once again that success is measured not only in figures, but also in how we connect—to each other, to our community, and to the world beyond.

That spirit fueled many of our key social initiatives this year. One such initiative was a collaboration with Innovative Solutions for Sustainable Development (ISSD)—a project aimed at protecting Armenia's environment and inspiring responsible use of our natural resources.

Cultural life was also close to our heart: Armbrok was proud to be a partner of the 8th International Music Festival "Armenia", organized by the Armenian Symphony Orchestra under the auspices of the State Tourism Committee. Over the course of a month, this vibrant festival hosted leading musicians and ensembles, creating new artistic connections for the future.

As a reflection of that same spirit, on 10 September, our colleagues reached the summit of Mount Ararat, proudly raising Armbrok's flag at 5,137 meters. It was an exhilarating moment of achievement, but also a deeply symbolic one. As the saying goes, "Climb a mountain not so that the world can see you, but so you can see the world." Their climb was a celebration of perspective, perseverance, and a spirit that longs to give back once something meaningful has been reached.



September
2024

THE NEW YORK TIMES-Ի ԲԵՍՐ
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Կյանքում և գործում

Կյանքում
և գործում

new
mag

Ռեյ Դալին ինձ տվել է անգնահատելի ուղի
գաղափարներ, որոնք այժմ կարող եմ լինել
«Սկզբունքներ» գրքի շնորհիվ:

Բիլ Գեյթս

Իսկապես արտասովոր գիրք է: Յուրաքանչյուր
լի է տարբերակման սկզբունքներով ու խոսքով
դիտարկումներով, և ինձ դուր է գալիս, թե
Ռեյը կարող է միահյուսում իր պատմությունները:

Թոնի Ռոբինս

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newmag

դրություն և
նաև ձերը՝

չորս էջը
որպես
ինչպես է
ու կյանքը:

In 2024, Ambrok partnered with “Newmag” publishing house to support the Armenian translation and release of the internationally acclaimed book “Principles: Life and Work” by one of the world’s most influential investors, hedge fund manager and billionaire Ray Dalio. In this landmark work, Dalio shares the foundations of his extraordinary success—rooted in a culture of truth and transparency—offering insights especially valuable for Armenia’s evolving financial landscape. This Ambrok-funded initiative made the book available to Armenian readers for the first time, reflecting our commitment to enhancing financial literacy and encouraging strategic thinking among the country’s youth and rising professionals.

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1 Summary

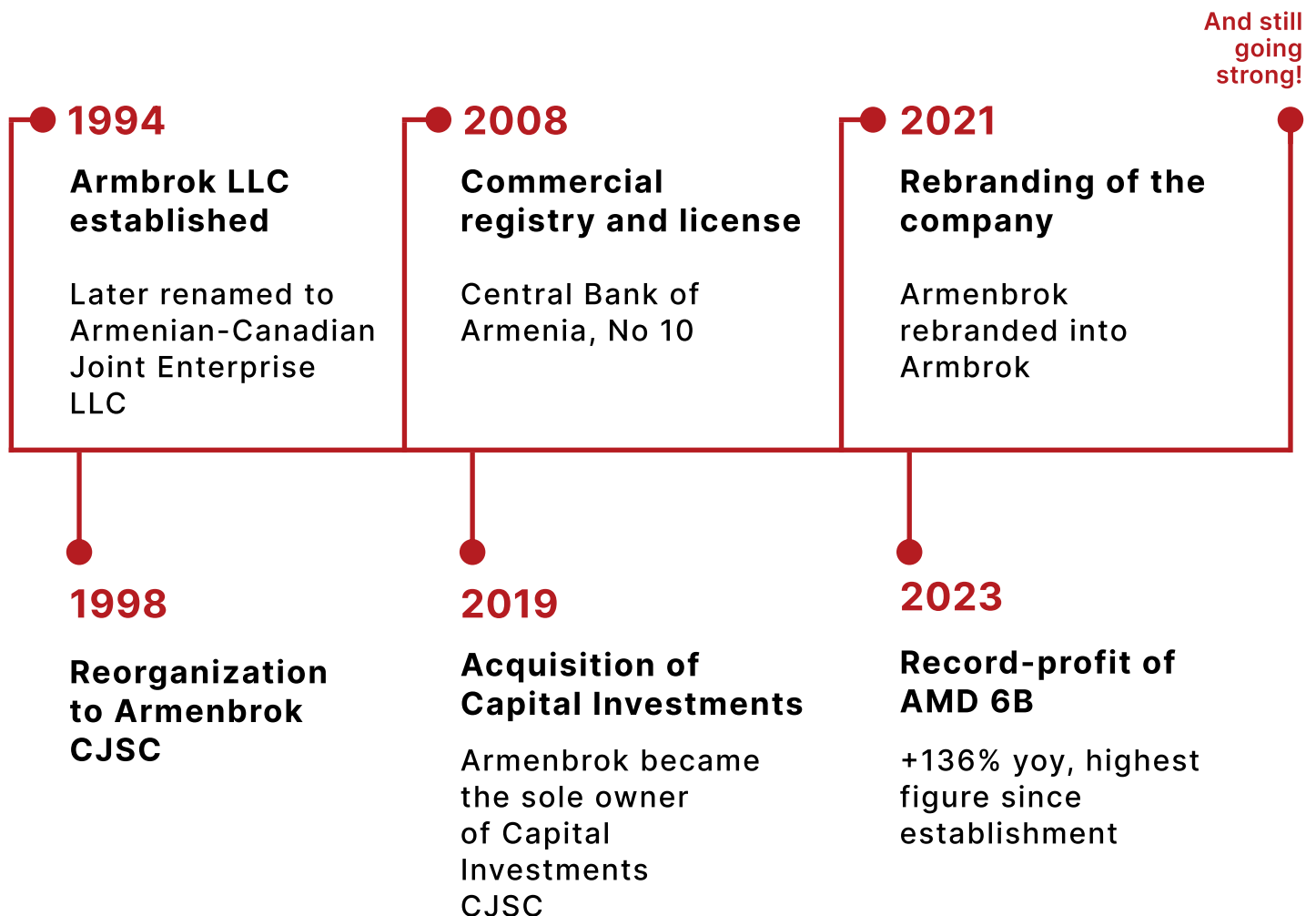
2 Macro overview

**3 Financial and
operational results**

4 Portfolio

**5 Financial
statements**

Armbrok at a glance



Number of shareholders

23 (1 institutional, 22 individuals)



Group Companies

Glocal Asset Management (glocal.am)
MB Consulting (mbconsulting.am)
MB Legal (mblegal.am)



Shareholders based in

Armenia, Germany, Austria,
Switzerland, Greece, USA,
Australia, Lithuania



Auditor

EY

Main activities

Investment banking, brokerage, dealing,
asset management, market-making,
custody

Stock exchange membership

Armenia Stock Exchange (AMX)
Astana International Exchange (AIX)

Depository membership

Central Depository of Armenia (CDA)
Astana International Exchange Central Securities
Depository (AIX CSD)

Professional memberships

Association for Financial Markets in Europe
(AFME)
Financial Market Members
Association (FINARM)
American Chamber of Commerce in Armenia
(AmCham)
The Armenian British Business Chamber
(ABBC)

Awards

**BEST EXCHANGE MEMBER
IN REPO /
SWAP TRANSACTIONS**

2018-2024

**BEST EXCHANGE MEMBER
IN CORPORATE SECURITIES
MARKET**

2012-2014, 2016

**BEST ACCOUNT
OPERATOR-REGISTRY KEEPER
OF DEPOSITORY SYSTEM**

**2014-2018,
2021-2022**





**BEST MEMBER IN UNIFIED
SYSTEM OF SECURITIES
REGISTRATION AND
SETTLEMENT**

**2015-2018,
2021**

**BEST ACCOUNT
OPERATOR-CUSTODIAN OF
DEPOSITORY SYSTEM IN
CORPORATE SECURITIES
MARKET**


2014-2021

**BEST MEMBER OF STOCK
EXCHANGE SETTLEMENT
SYSTEM**

2017



The *oldest* and one of
the largest investment
companies in Armenia



Armbrok brings to the table 30 years of experience in the Armenian capital market and globally. Started in 1994 as a boutique brokerage, Armbrok has developed into a major investment company and currently leads the market with the largest value of assets and capital, as well as the most extensive operations infrastructure.

AMD 16.2B

Revenue

22.1B in 2023, -26.8%

AMD 15.1B

Equity

10.8B in 2023, +39.9%

AMD 7.0B

EBIT

8.9B in 2023, -21.6%

24.3%

ROE

55.7% in 2023, -31.4 pps

AMD 3.7B

Net Income

6.0B in 2023, -39.0%

~60

Employees

~60 in 2023

AMD 58.4B

Assets

45.0B in 2023, +29.6%

150+

Infrastructure

global accounts,
trading lines,
custody links

FitchRatings

Armbrok 

Fitch Ratings

Fitch assigned Armbrok a **B- rating** with Stable Outlook

In March 2025, Fitch Ratings assigned Armbrok a first-time Long-Term Issuer Default Rating (IDR) of 'B-' with a Stable Outlook. The rating reflects Armbrok's strong financial performance over 2022–2024, solid capital position, and adequate liquidity supported by a conservative balance sheet structure.

Armbrok Ratings

**Foreign
currency
long-term IDR**

B-

**Foreign
currency
short-term IDR**

B

**Company
Outlook**

Stable

Sovereign Ratings - Armenia

**Long term
IDR**

BB-

**Short term
IDR**

B

**Country
Ceiling**

BB

The background of the slide is a 2x2 grid of stylized eyes. Each eye is rendered with a halftone dot pattern, giving it a textured, almost woven appearance. The eyes are looking in different directions: top-left is looking left, top-right is looking right, bottom-left is looking left, and bottom-right is looking right. The central text is overlaid on the left side of the grid.

Macroeconomic overview

Armenia: macroeconomic update 2024

USD 25.8B

GDP

24.2B in 2023, +5.9%

0.3%

Inflation

2% in 2023

50.3%

Debt/GDP

50.7% in 2023,
-0.4pps

USD 30.2B

Foreign Trade

21.3B in 2023, +41.5%

7%

Refinancing Rate

9.25% in 2023

424.9 AMD

**Exchange
Rate EUR**

424.6 in 2023 (average)

392.7 AMD

**Exchange
Rate USD**

392.5 in 2023 (average)

In 2024, Armenia's economy grew by **5.9%**, with **GDP reaching USD 25.8 billion**. Key growth came from **trade (17.0%)**, **construction (14.5%)**, and **services (10.6%)**, while **industry** rose **4.7%** and **agriculture** recovered with **1.6% growth**.

Foreign trade hit a record **USD 30.2 billion (+41.5% y/y)**.

The **CBA** lowered the **refinancing rate to 7.0%** as **inflation** dropped to **0.3%**. The **AMD** remained stable, ending at **396.6 per USD** and **413.9 per EUR**, slightly appreciating vs both.



39

Armbrok

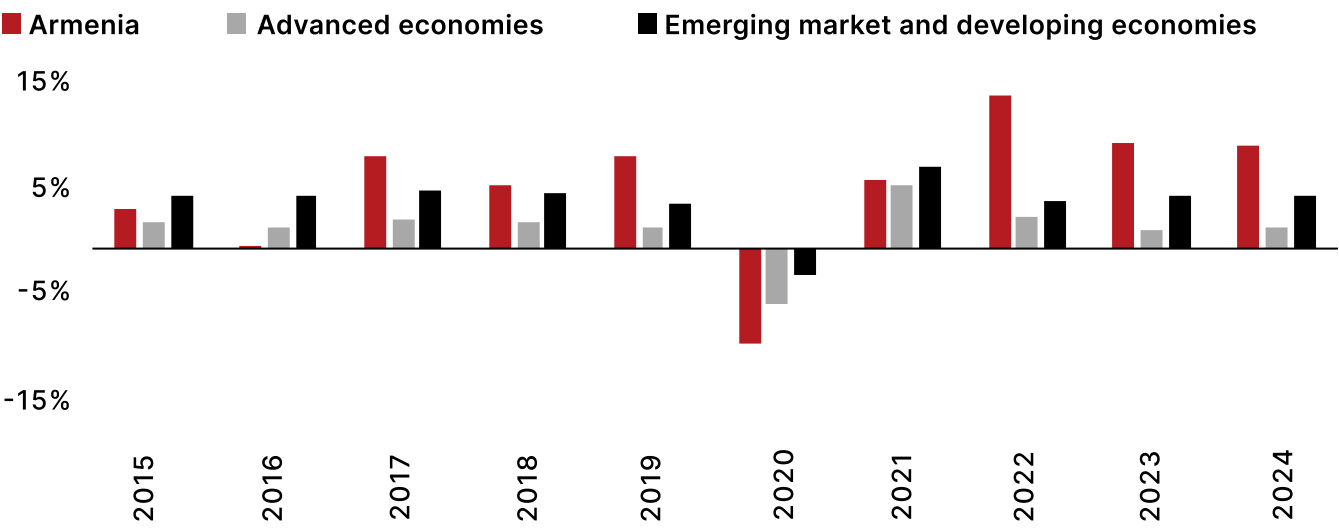
glocal ASSET
MANAGEMENT



Macroeconomic overview: persistent growth

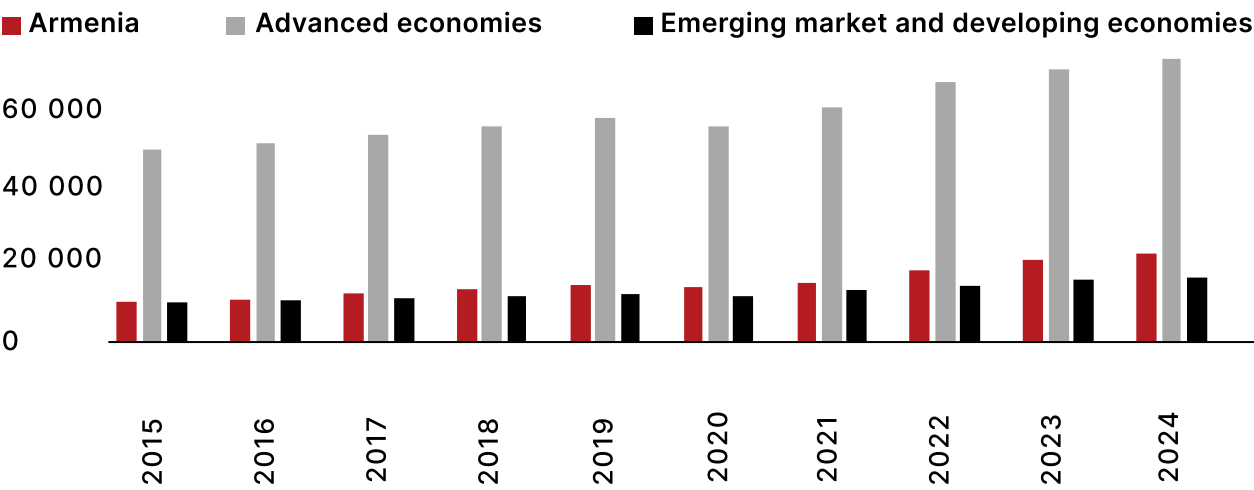
Real GDP growth rates

Source: IMF



GDP per capita (PPP)

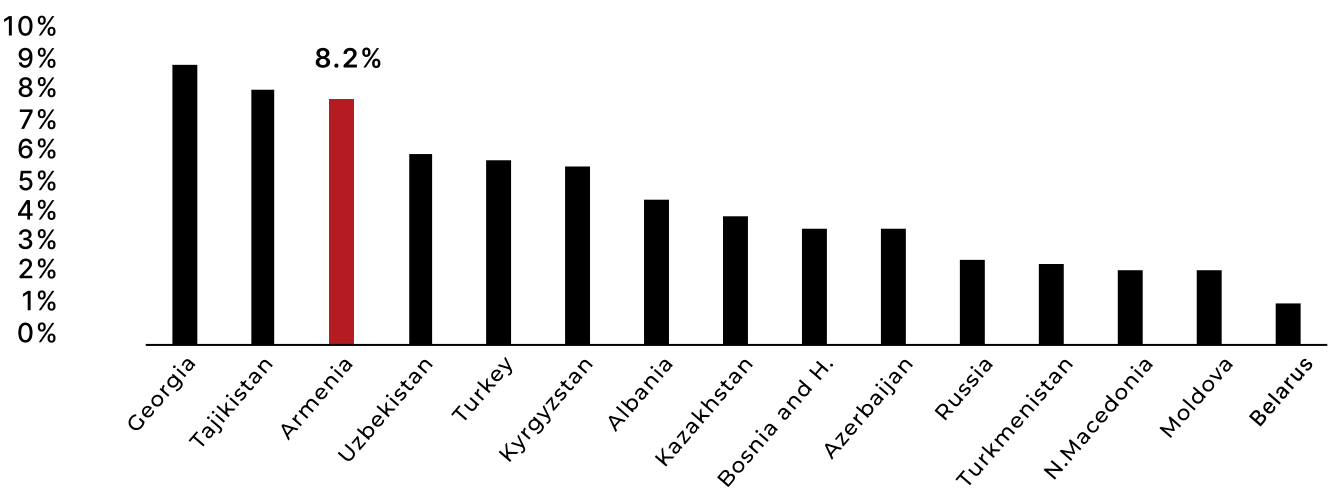
Source: IMF



Macroeconomic overview: persistent growth

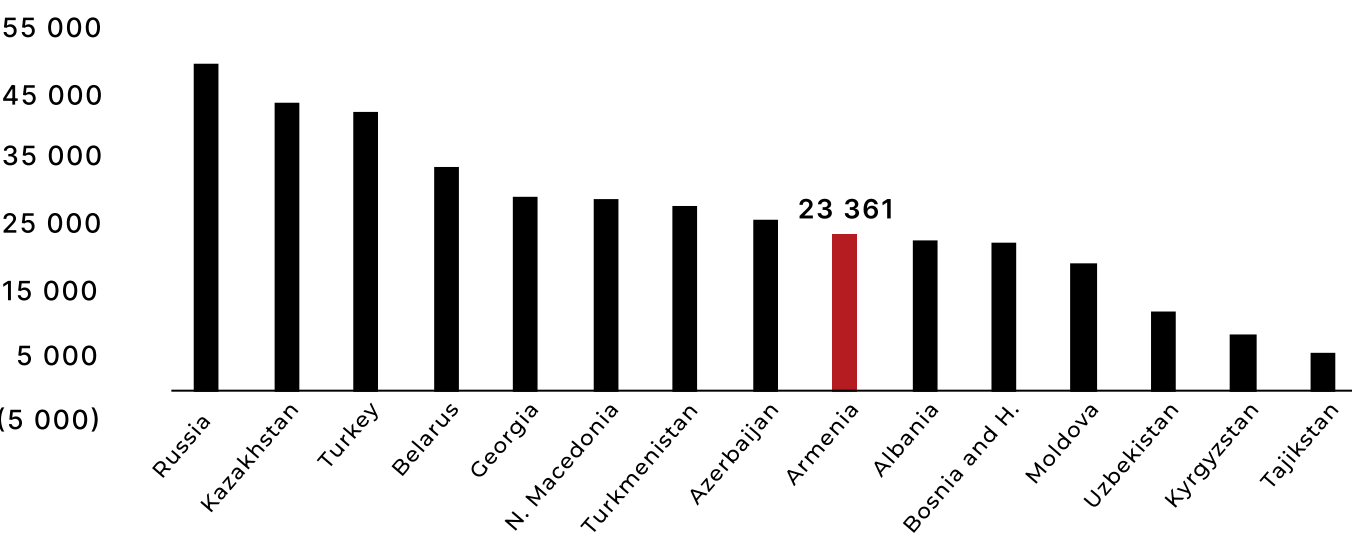
GDP growth rate – comparison with peers
(avg. growth 2021-2024)

Source: IMF



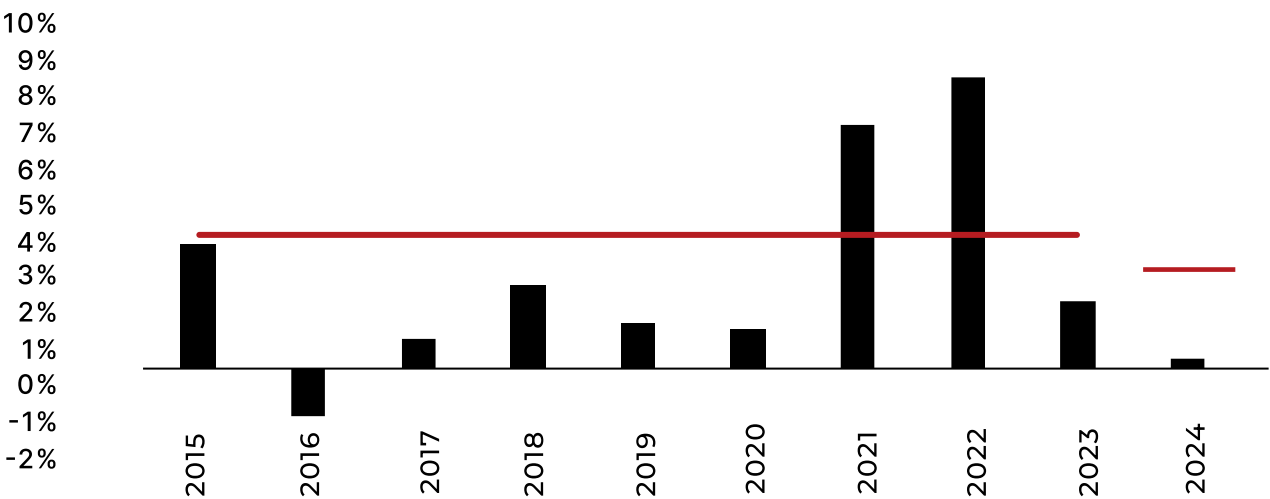
GDP per capita (PPP), peer comparison (2024)

Source: IMF

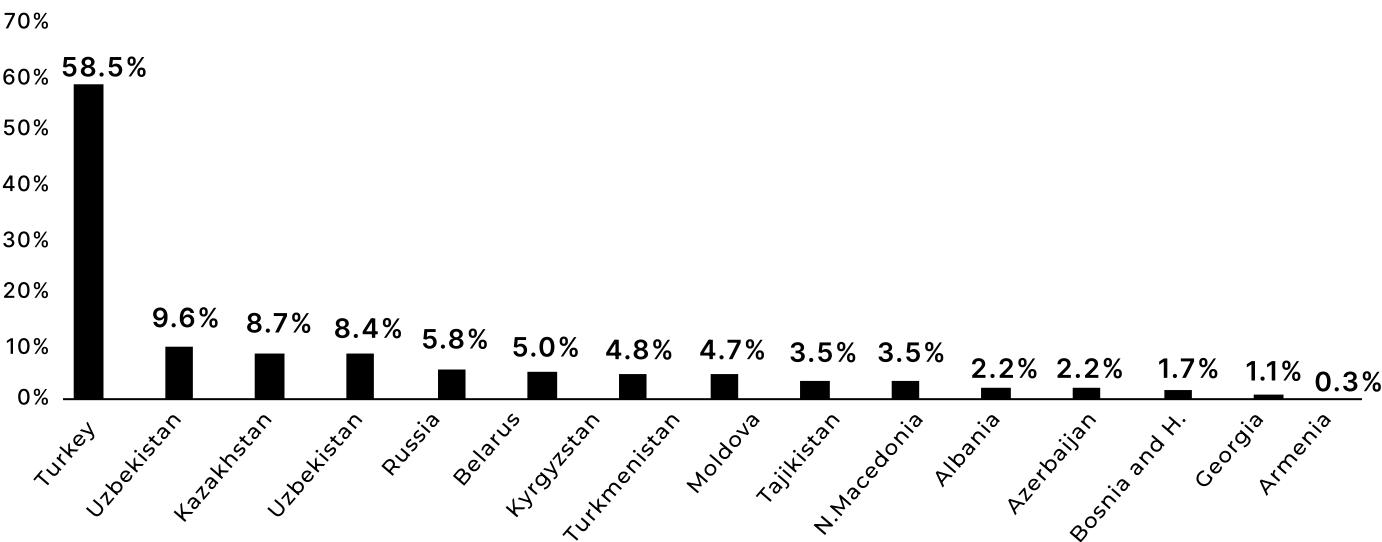


Macroeconomic overview: low inflation and steady currency

Inflation ■ Inflation — Inflation Target *Source: Armstat*



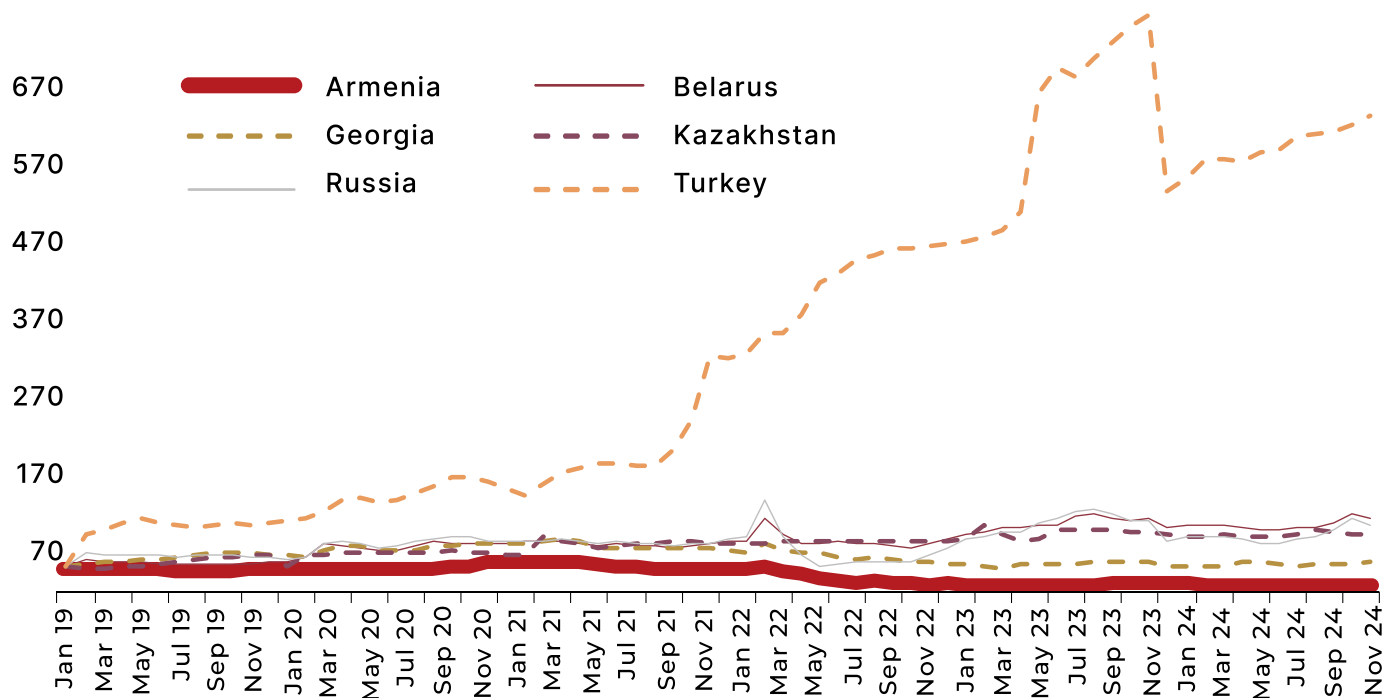
Inflation – peer comparison (2024) *Source: IMF*



Macroeconomic overview: low inflation and steady currency

Currency exchange rate as % of exchange rate at the beginning of the 5-year period

Source: IMF

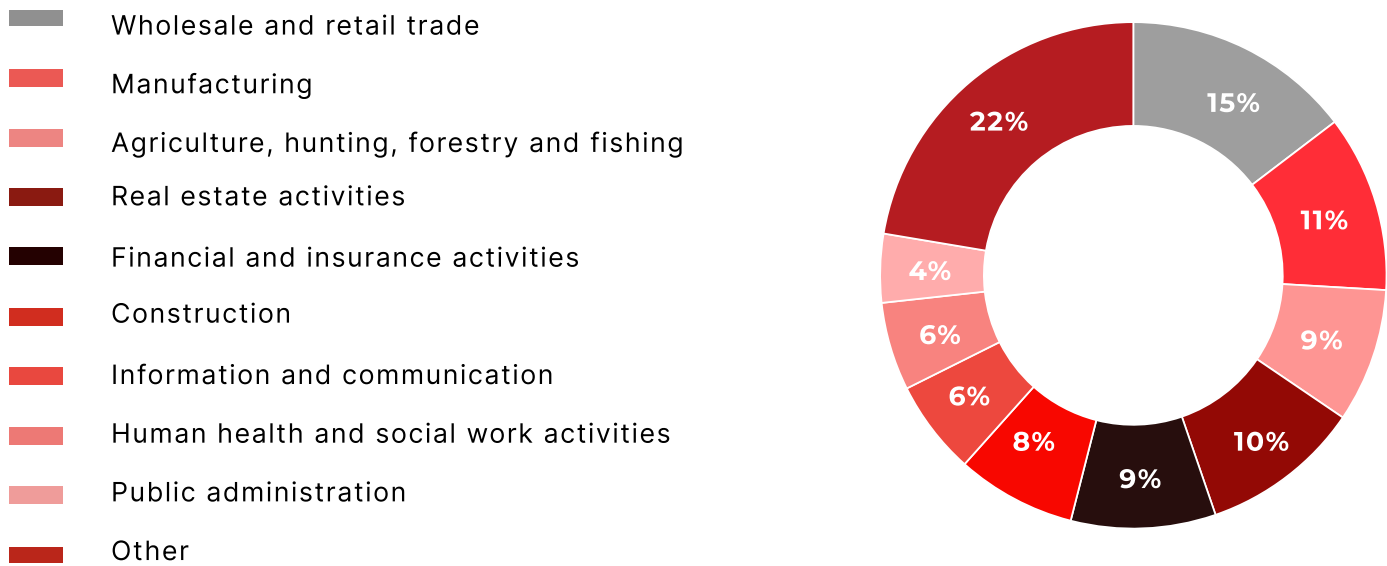


In 2024, Armenia posted the **lowest inflation rate among its peers**, with CPI at just **0.2%** in December. This followed the Central Bank's decision to **lower its inflation target from 4% to 3%**, reinforcing strong price stability. The **Armenian dram also remained virtually unchanged**, continuing the stability trend seen in 2023 after its standout performance in 2022.

Macroeconomic overview: diversified economy

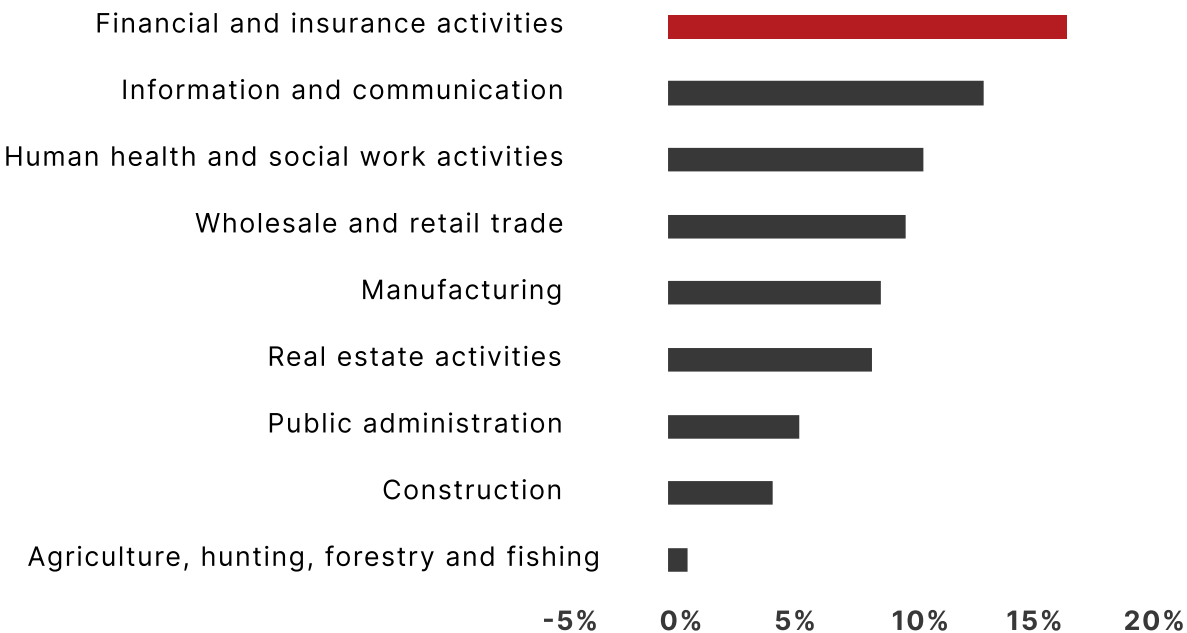
Diversified nominal GDP structure (2024)

Source: CBA



CAGR of economic sectors (2014-2024): financial services on the top again

Source: CBA

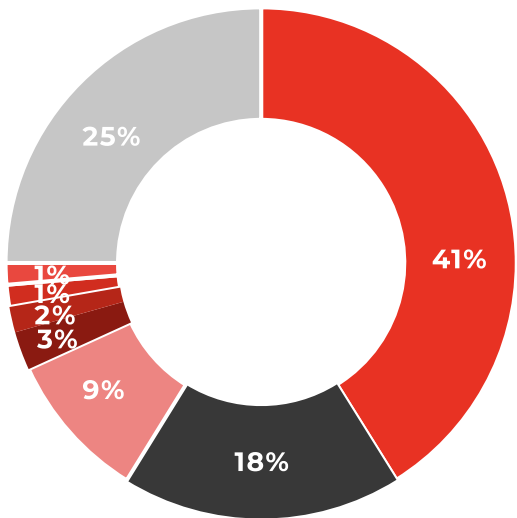


In 2024, the financial and insurance services sector made up **9% of Armenia's GDP**, reflecting its growing role in the economy. With a **10-year CAGR of 16%**, the sector's expansion is driven by improved financial services, rising insurance coverage, and regulatory reforms supporting a more stable and dynamic environment.

Macroeconomic overview: diversified economy

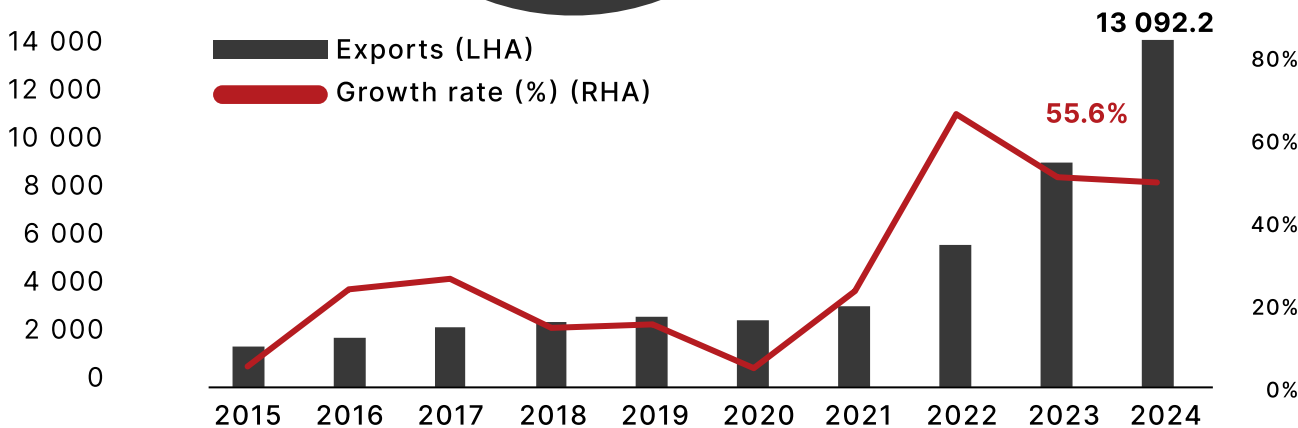
Geographical structure of foreign trade (2024)

Source: Armstat



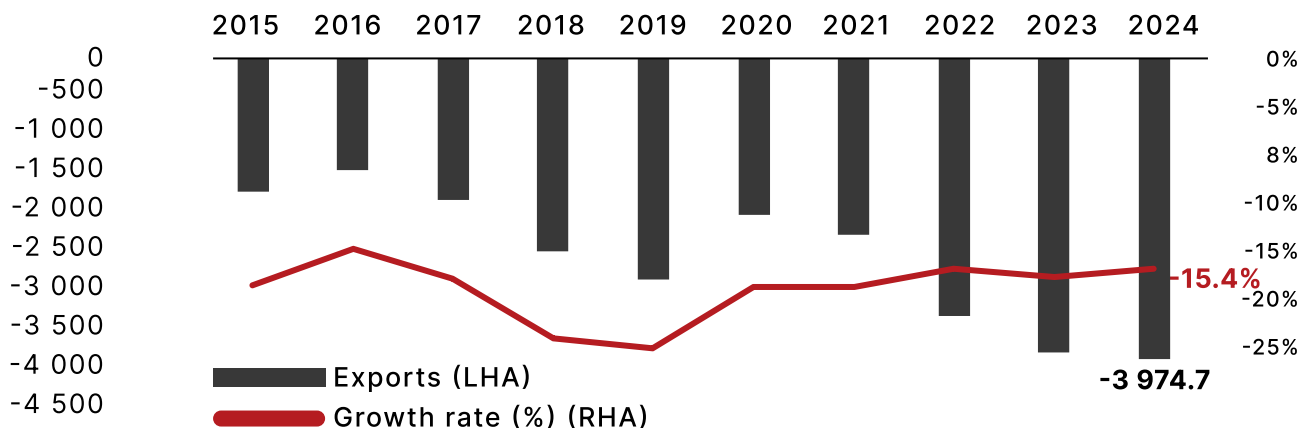
Exports

Source: Armstat



Net Exports

Source: Armstat



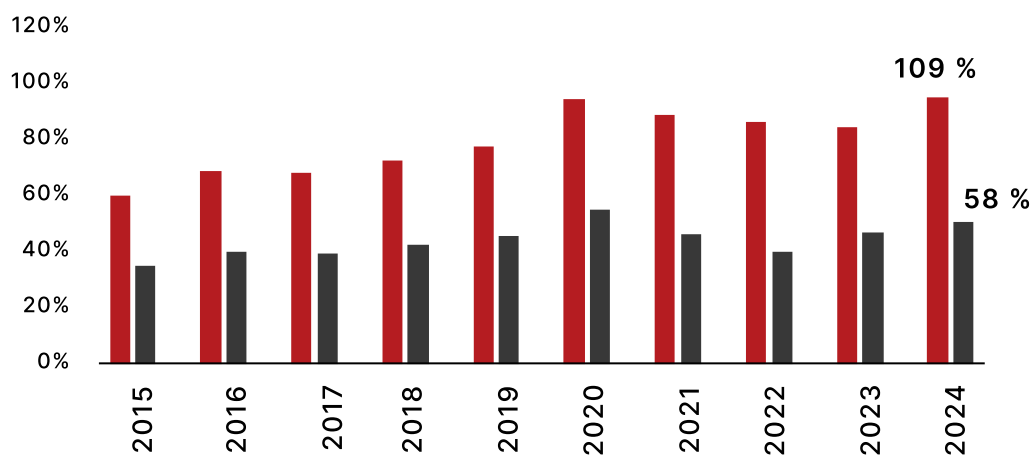
In 2024, Armenia's foreign trade continued to grow, with **exports up 55.6% to USD 13.1 billion** and **imports up 38.7% to USD 17.1 billion**. While **Russia remained the top trade partner**, its share **dropped to 41% from previous levels of around 60%**, reflecting Armenia's ongoing trade diversification and global economic integration. The **UAE was the fastest-growing partner**, with a **132% increase** in trade volume.

Banking sector: growth in lending and deposits

Banking sector loans and assets as % of GDP

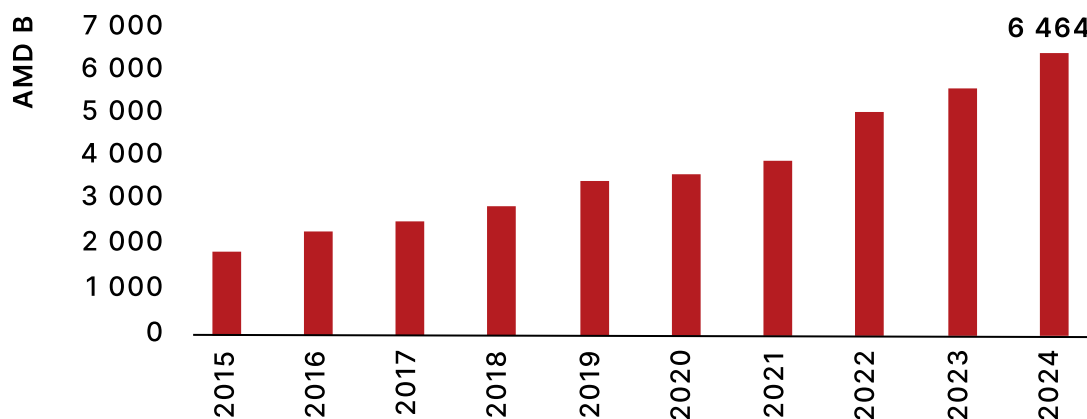
Source: CBA

■ Assets/GDP (%) ■ Loans/GDP (%)



Deposits in commercial banks: accelerated growth

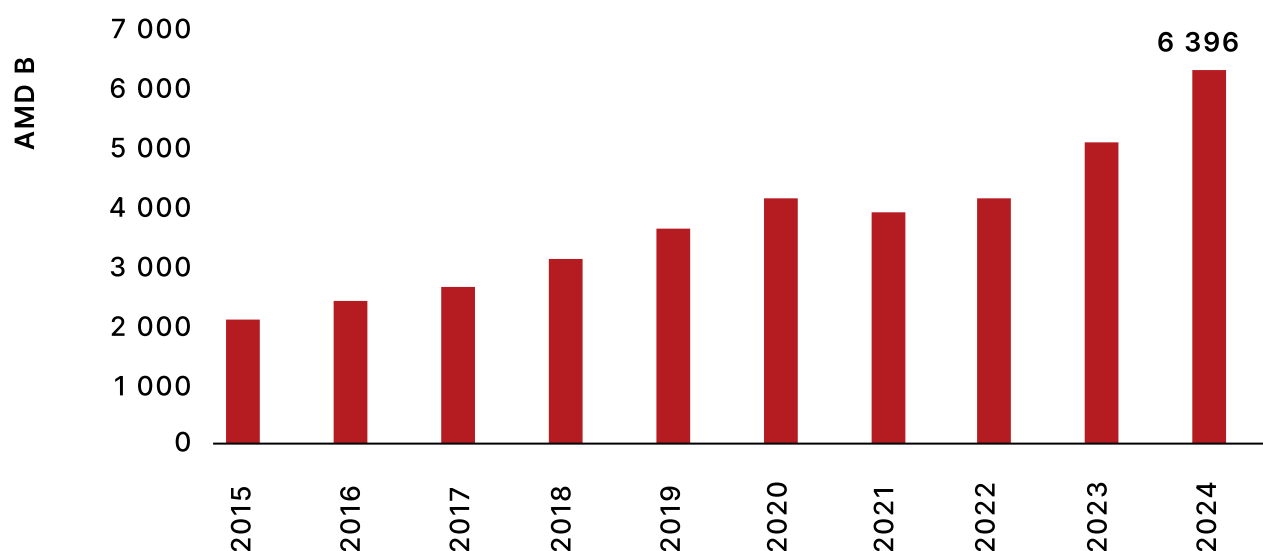
Source: CBA



Banking sector: growth in lending and deposits

Loans of commercial banks:
reaching record levels

Source: CBA

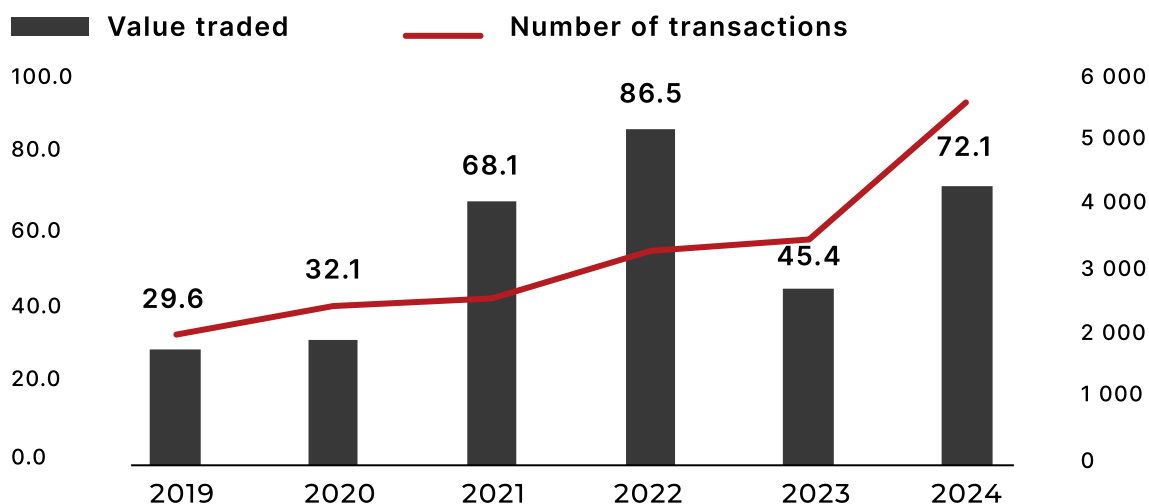


In 2024, commercial bank loans reached a record AMD 6 396 billion, while deposits grew to AMD 6 464 billion. Banking sector assets rose to 109% of GDP, driven by strong deposit inflows and lending expansion.

Financial market: steady expansion in trading activity [2019-2024]

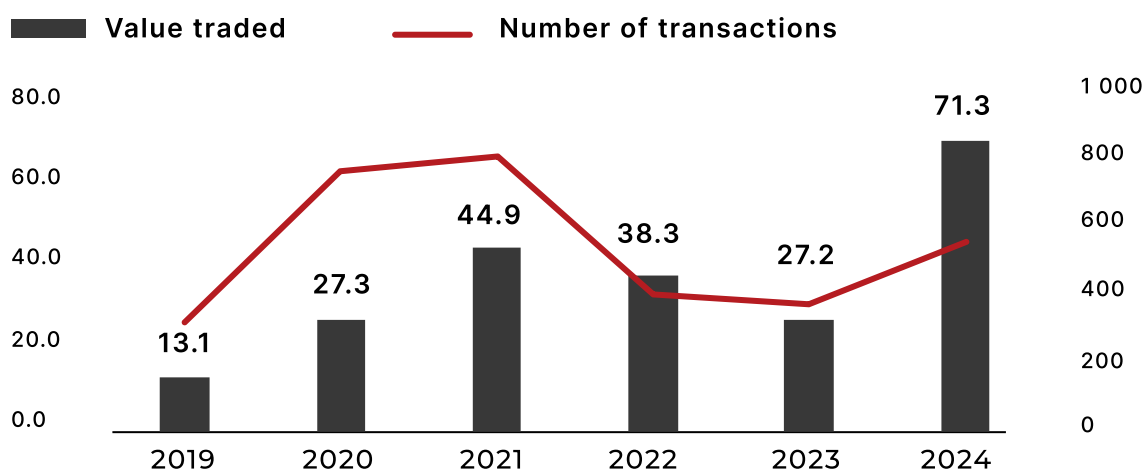
Trading value of corporate bonds in AMX, AMD B

Source: AMX



Trading value of REPOs in AMX, AMD B

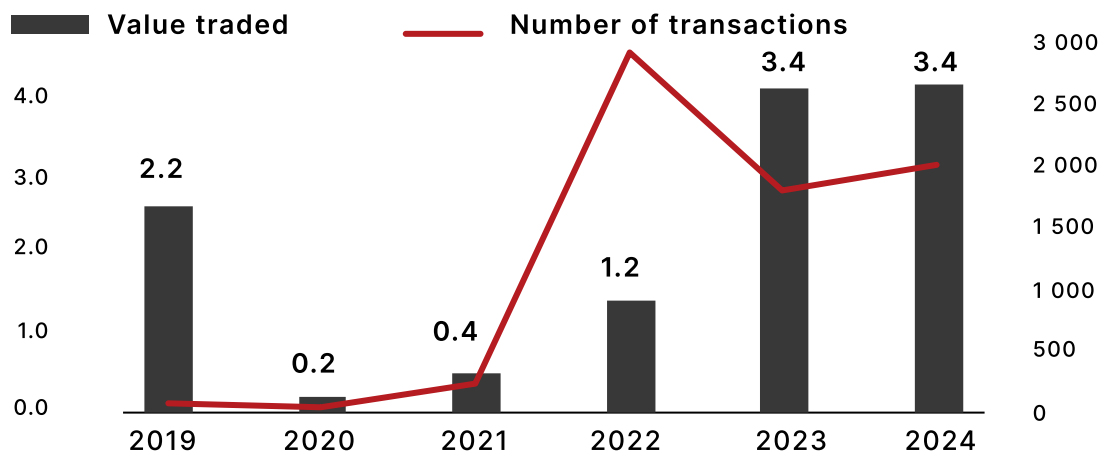
Source: AMX



Financial market: steady expansion in trading activity [2019-2024]

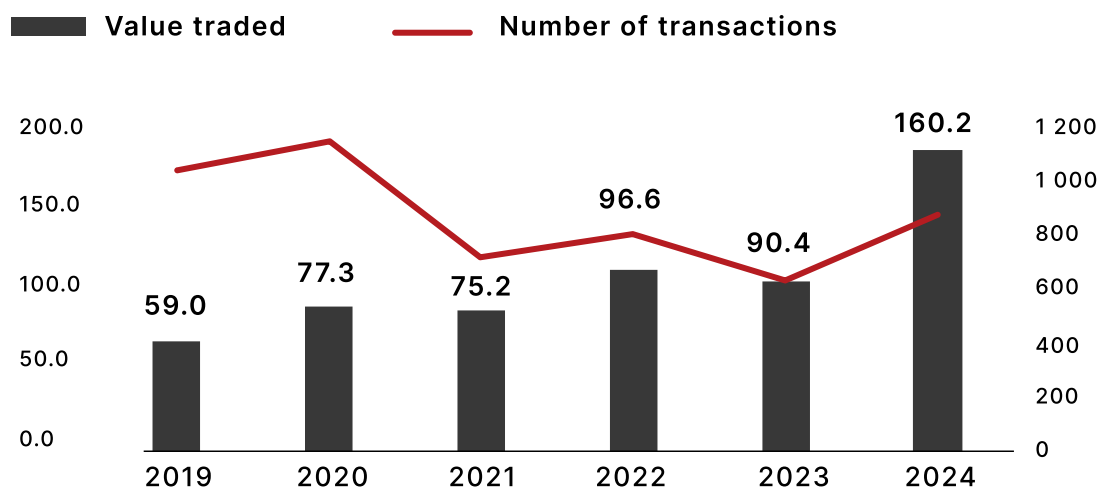
Trading value of equity in AMX, AMD B

Source: AMX



Trading value of government bonds in AMX, AMD B

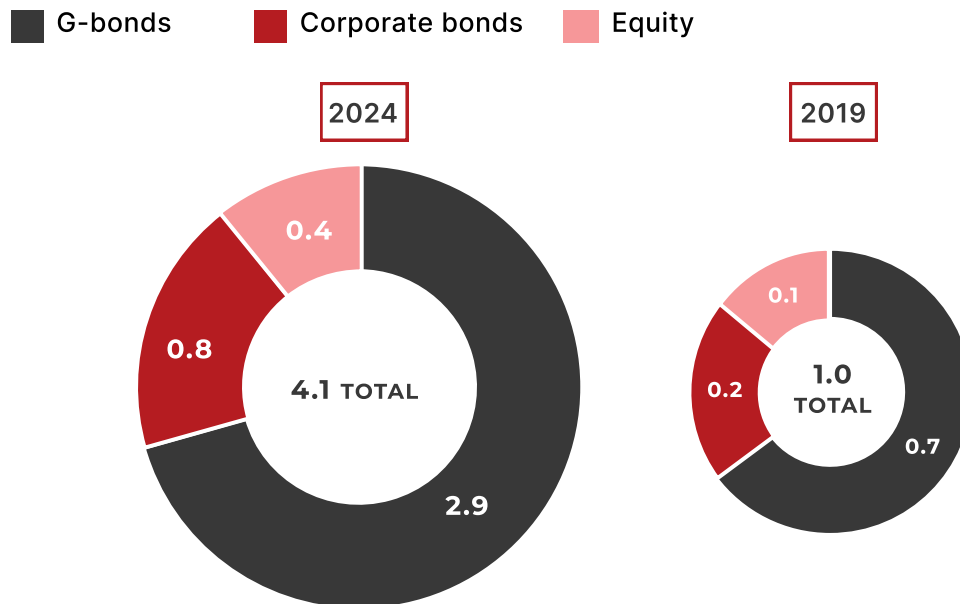
Source: AMX



Financial market: capital market quadruples in five years, led by G-bonds

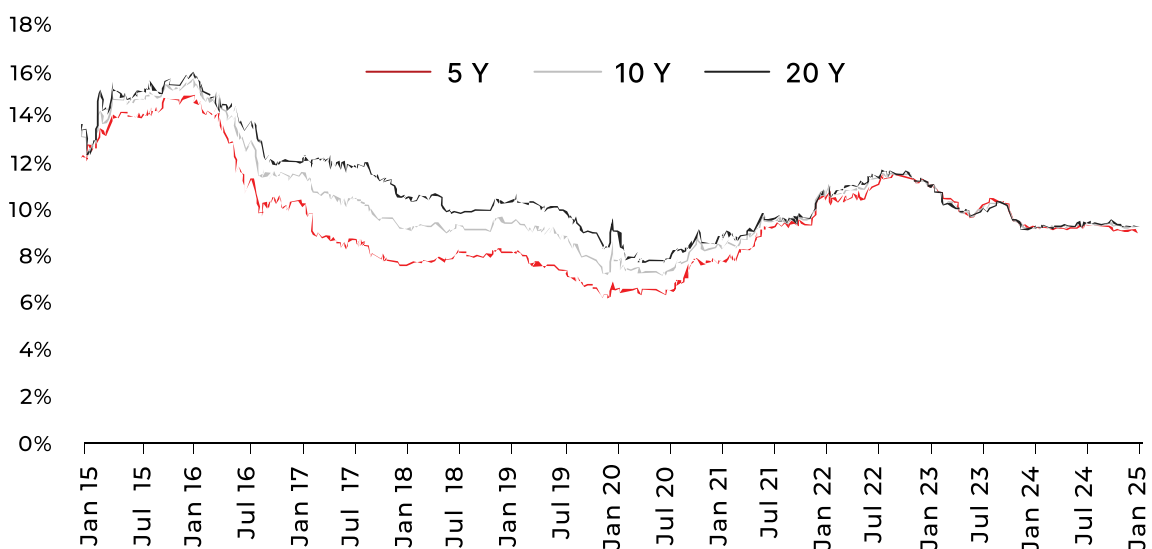
Armenia securities exchange total market value,
AMD trillion

Source: AMX



G-bonds historical yield

Source: CBA



Armenia's capital market grew from AMD 1.0 trillion in 2019 to AMD 4.1 trillion in 2024, driven mainly by G-bonds, which now make up 71% of the market. The rising demand for government securities reflects investor preference for low-risk instruments amid gradually declining yields, as shown in the G-bond yield curve.

Financial market: expanding market participation and infrastructure in 2024



New Issuers Joined the Market

In 2024, many companies entered the Armenia Securities Exchange, expanding market depth and sector diversity. Most notably: Tell-Cell, Euroterm, Electric Networks of Armenia, and Telecom Armenia



Retail Platform for Government Bonds Upgraded

AMX upgraded the gp.minfin.am portal to make direct retail access to government bonds simpler and more secure



Significant Growth in Corporate Listings

124% growth in newly listed corporate bonds, reaching AMD 362.8 B in value compared to AMD 162.1 B in 2023



Regional Integration Progress

Signed MoU with Abu Dhabi securities Exchange and joined the “Tabadul Hub”, expanding Armenia’s exposure to Gulf markets. Additionally, the Kazakhstan Central Securities Depository opened a nominee account in Armenia, increasing regional investment access.



FX Trading Platform Relunched

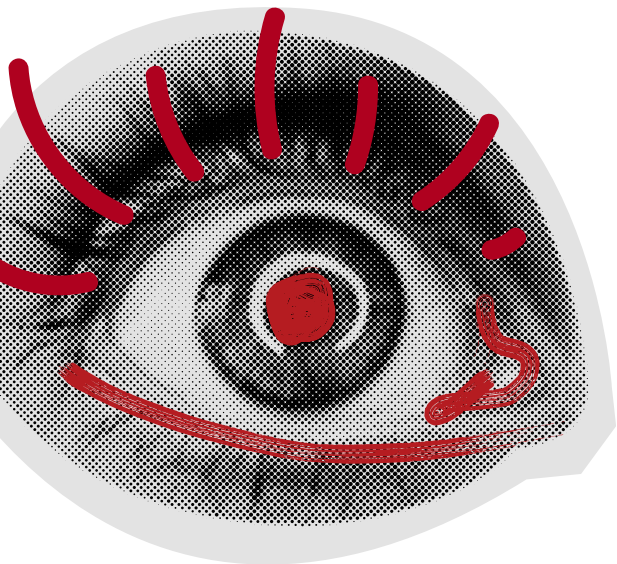
The foreign exchange (FX) trading platform was reactivated after a 10-year pause, with the first trade taking place in June 2024



First-Ever Government Bond Switch Auction

In December 2024, AMX hosted the first switch auction, allowing exchange of old or illiquid bonds for new ones to improve debt management and liquidity.

Outlook for 2025: Cautious optimism



Inflation, which had fallen to 0.3% in 2024, has picked up in early 2025, reaching **3.3% in March** and thereby aligning with the CBA's revised target of 3%. This rise follows ongoing monetary easing (down to 6.75% in Q1 2025). However, with inflation rising, the CBA is likely to proceed more cautiously going forward.

Armenia's sovereign **credit ratings remain unchanged** in 2025, with all three major agencies maintaining their assessments.

Moody's

Ba3

Outlook:
stable

Fitch

BB-

Outlook:
stable

S&P

BB-

Outlook:
stable

Armenia entered 2025 with solid momentum. **In Q1, GDP grew by 8.32% y/y.** Rising domestic demand was also supported by higher incomes, with the average monthly nominal wage reaching AMD 333 250 in March, marking an 8.3% y/y increase.

At the same time, **foreign trade activity contracted sharply**, with turnover declining by 54.2% y/y. Exports fell 61.8%, while imports dropped 47.9%. This decline likely reflects a **return to sustainable levels** of trade flows following several years of high volumes driven by geopolitical disruptions and redirected regional trade.



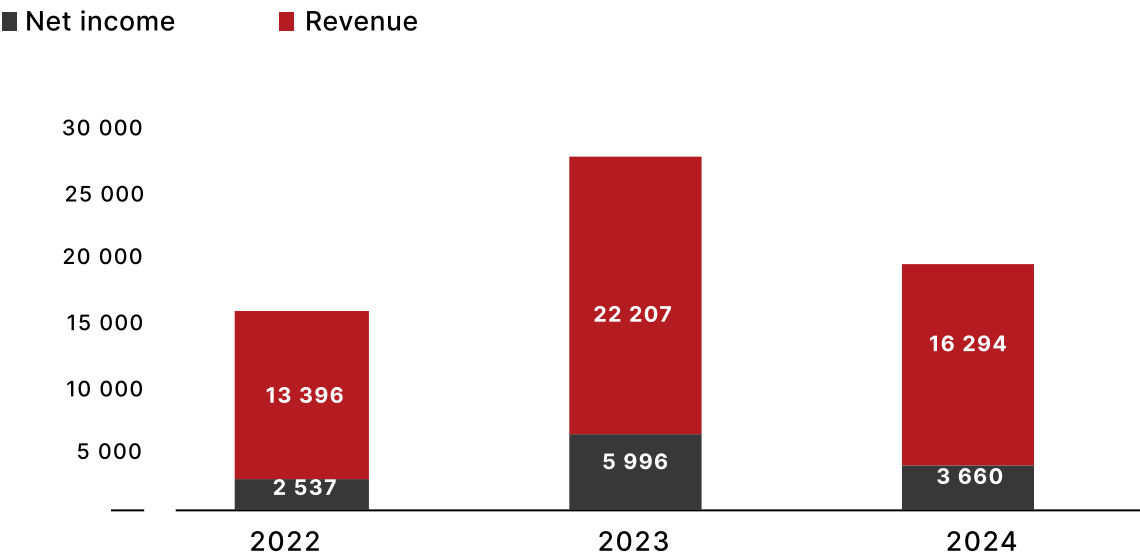


2024

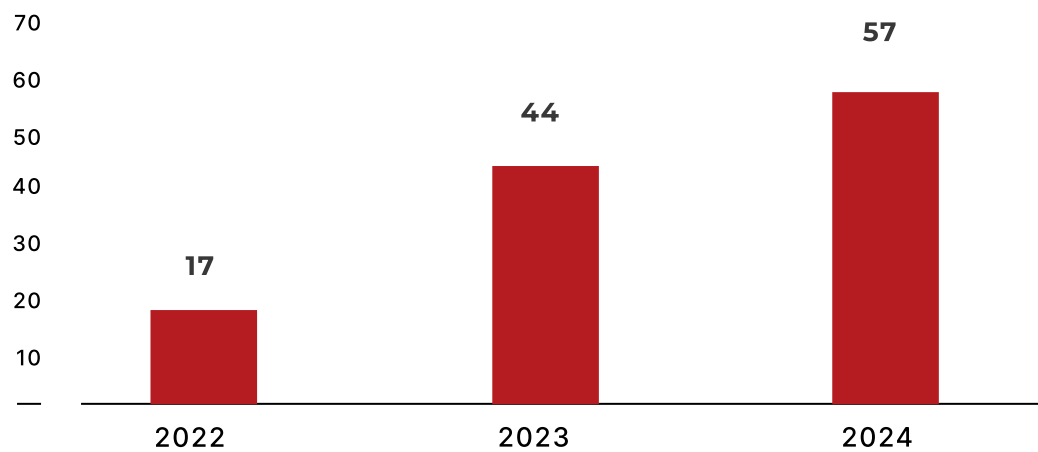
Armbrok highlights

Financial highlights: portfolio growth amid stable profitability

Revenue and profit, AMD M



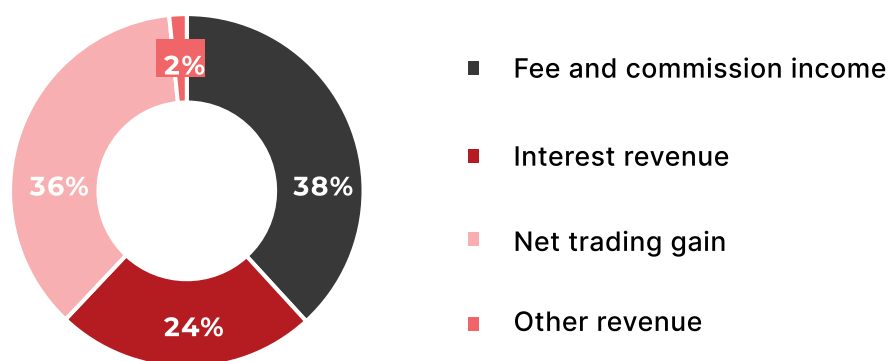
Portfolio, AMD B



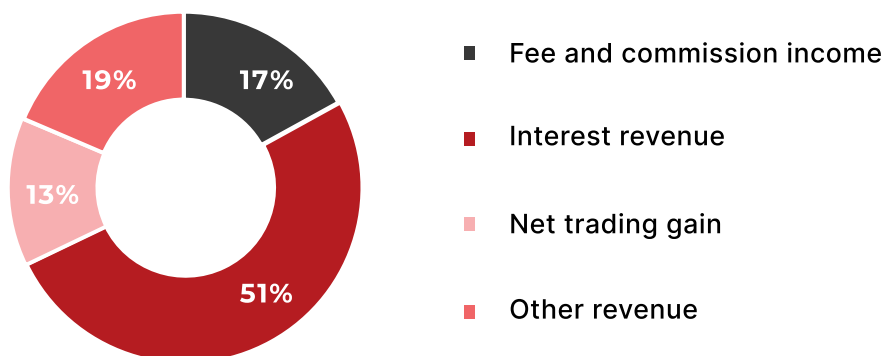
Armbrok maintained a stable performance with solid profitability despite a decline in revenue from the previous year. The company continued to invest strategically, **growing its portfolio to AMD 57 billion** and reinforcing its focus on income diversification and long-term resilience.

Financial highlights: revenue structure shift since 2019

Revenue structure (2024)



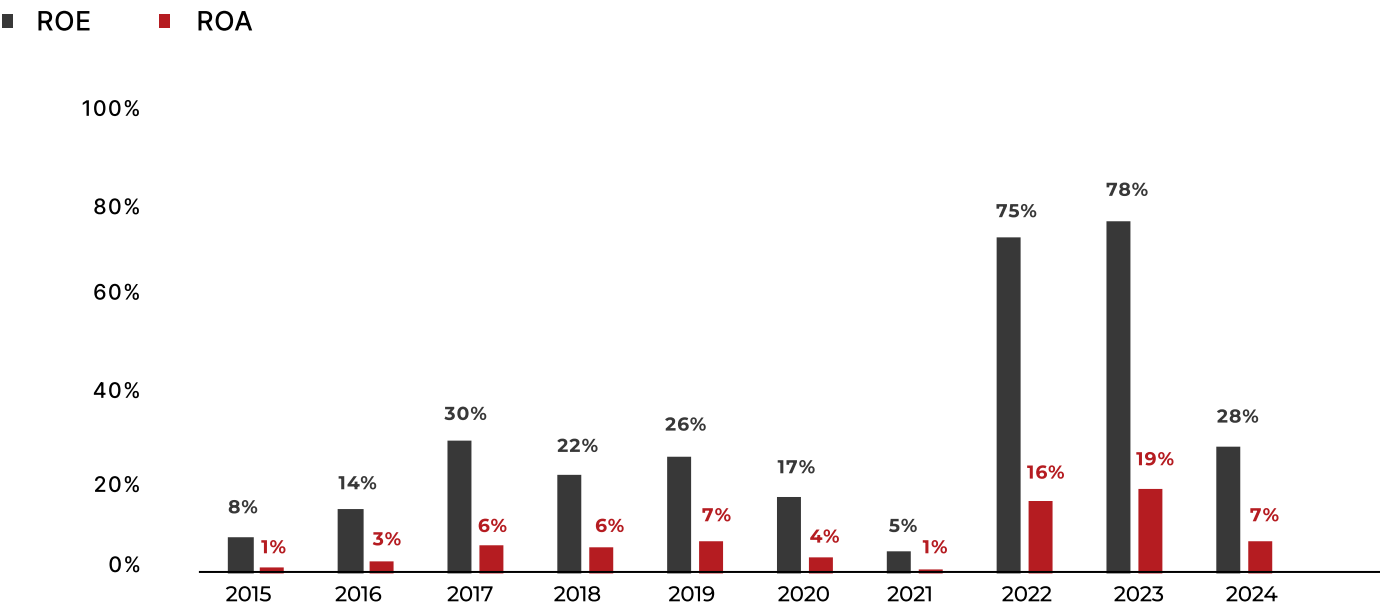
Revenue structure (2019)



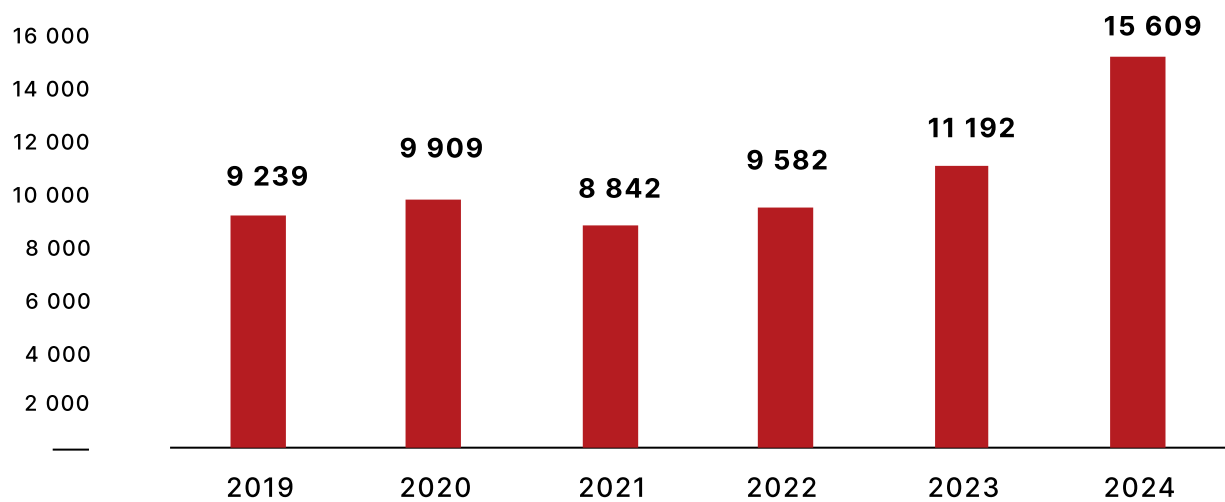
Revenue structure also shifted: interest revenue, once dominant at 51%, dropped to 24%, while **fee and commission income became the leading source at 38%**, reflecting growing reliance on the Company's core depository services.

Financial highlights: returns and client base shift since 2019

Return on assets and equity



Number of clients



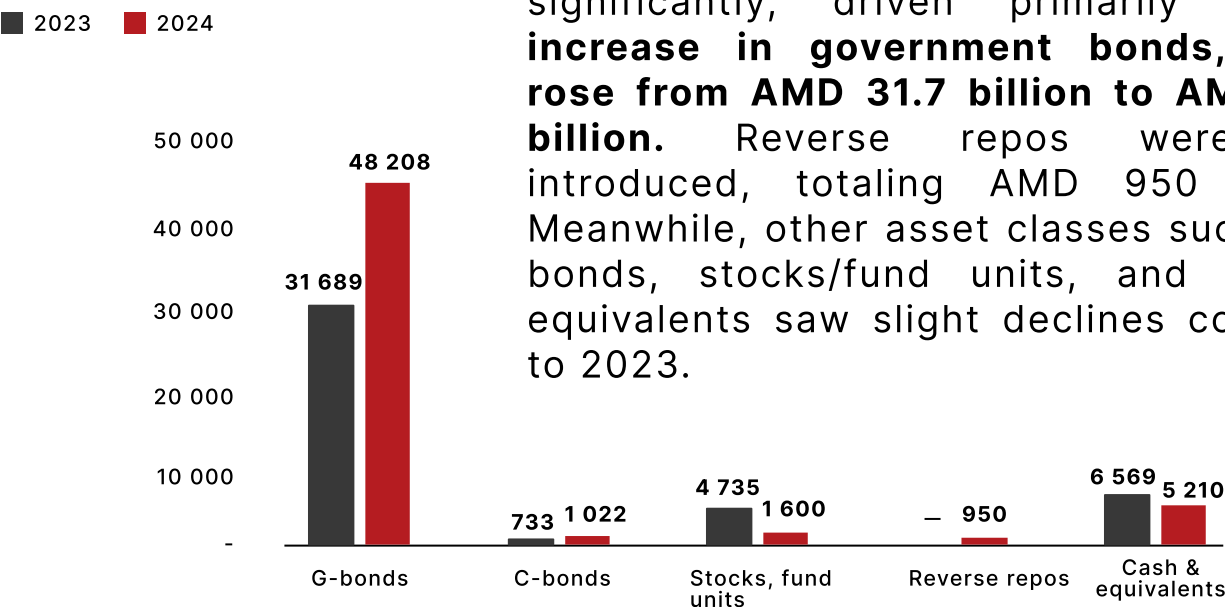
While ROE and ROA moderated from their 2023 and 2022 peaks, overall returns remained strong by historical standards, reflecting a **shift toward a more sustainable growth trajectory**. Over the past five years, **Armbrok’s client base grew by 69%, from 9 239 in 2019 to 15 609 in 2024**. Most clients are served through custody services, which now account for 88% of the total.

Selected ratios: over the years

Ratios	2017	2018	2019	2020	2021	2022	2023	2024
ROAE	29.7%	22.1%	26.0%	16.9%	4.7%	74.8%	78.2%	28.4%
ROAA	6.4%	5.6%	7.3%	3.6%	0.8%	16.0%	18.9%	7.1%
Net Interest Margin	5.9%	4.5%	4.1%	3.7%	1.9%	0.8%	0.8%	2.9%
Cost of funds	6.4%	6.0%	5.7%	5.1%	8.6%	8.6%	10.0%	7.4%
Net fee and commission income/ Total Operating income	11.0%	13.8%	15.8%	13.5%	33.3%	27.9%	59.1%	38.9%
Net fee and commission income/ Average total assets	1.1%	1.2%	1.7%	0.8%	0.8%	18.7%	34.4%	8.9%
Cost to income ratio	20.3%	23.6%	23.1%	31.8%	63.9%	72.3%	61.7%	62.5%
Average Interest earning assets/ Average total assets	97.3%	97.9%	97.9%	97.4%	94.5%	79.9%	78.6%	86.1%
Total liabilities / Equity	3.2x	2.8x	2.6x	5.1x	5.0x	3.0x	3.2x	2.9x
Equity / Total Assets	0.2x	0.2x	0.3x	0.2x	0.2x	0.2x	0.2x	0.3x

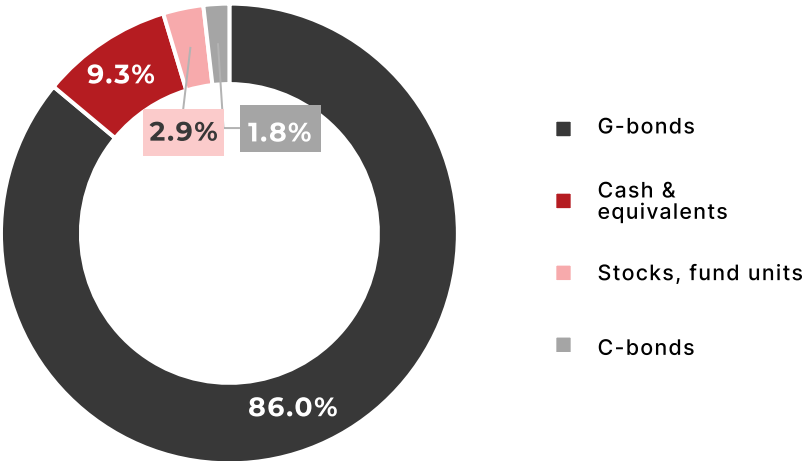
Investment portfolio: assets and liabilities structure

Assets types, AMD M



In 2024, Armbrok’s total assets grew significantly, driven primarily by an **increase in government bonds, which rose from AMD 31.7 billion to AMD 48.2 billion**. Reverse repos were also introduced, totaling AMD 950 million. Meanwhile, other asset classes such as C-bonds, stocks/fund units, and cash & equivalents saw slight declines compared to 2023.

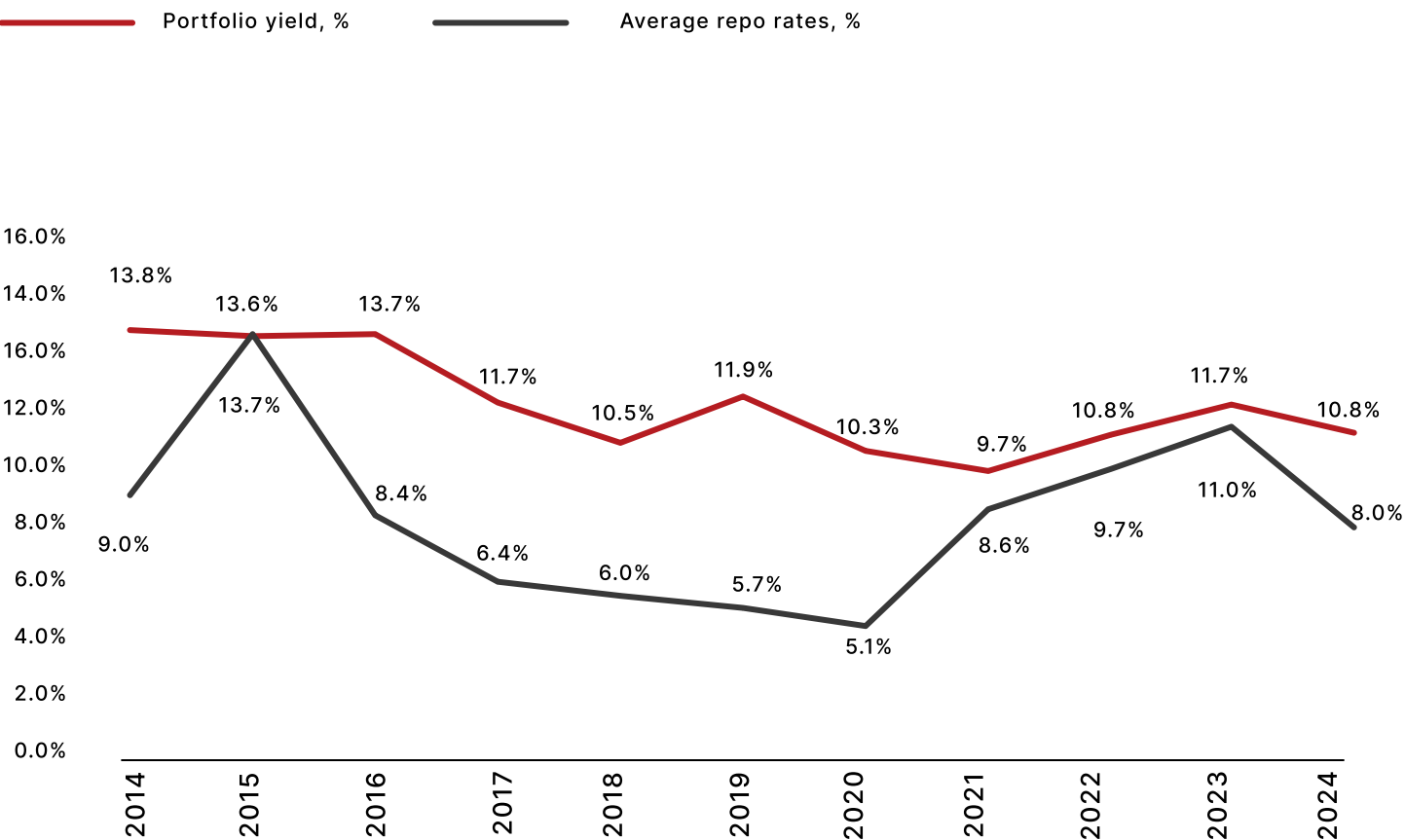
Structure of assets



The portfolio remained conservative and risk-aware, with **government bonds accounting for 86% of total assets**, up from the previous year. This reflects a strong focus on low-risk, liquid instruments aimed at ensuring balance sheet stability, reducing currency risks, and supporting efficient cash flow management.

Investment portfolio: G-bonds

Portfolio of G-Bonds



In 2024, the portfolio yield saw **a modest decline to 10.8%, down from 11.7% in 2023**. In contrast, average **repo rates dropped significantly from 11.0% to 8.0%**, driven by the Central Bank’s continued easing stance. This led to a wider positive spread of 2.8 percentage points, highlighting the portfolio’s ability to generate strong returns despite falling market rates. While the easing cycle has supported this dynamic, future movements in repo rates will likely depend on broader macroeconomic developments, particularly inflation and external risks.

Income Statement

[audited]

In AMD thousands	Year ended December 31, 2024	Year ended December 31, 2023	Y-o-Y change
Interest income	3 799 829	2 006 438	89.4%
Interest expenses	(2 490 602)	(1 807 408)	37.8%
Net interest income	1 309 227	199 030	557.8%
Fee and Commission income	6 087 515	12 602 984	-51.7%
Fee and Commission expense	(1 494 080)	(1 685 854)	-11.4%
Net fee and commission income	4 593 435	10 917 130	-57.9%
Net trading gain/loss	5 796 854	7 490 679	-22.6%
Net gain/loss from sale of financial assets	27 710	(21 887)	-226.6%
Other income	128 912	40 539	218.0%
Income from an associate company	97 712	66 329	47.3%
Income from joint ventures	(16 359)	(6 474)	152.7%
Impairment charge	(38 764)	(162 923)	-76.2%
Staff costs	(6 874 526)	(10 879 222)	-36.8%
Other expenses	(500 141)	(503 405)	-0.7%
Income before taxes	4 524 060	7 139 796	-36.6%
Income tax expense	(864 155)	(1 143 904)	-24.5%
Profit for the year	3 659 905	5 995 892	-39.0%
Other comprehensive income, net of tax	1 034 672	468 489	120.9%
Total comprehensive income for the year	4 694 577	6 464 381	-27.4%
Earnings per share, in AMD	13 700	22 444	-39.0 %

[Detailed financial statements audited by EY are available at armbrok.am](https://armbrok.am)

Balance Sheet

[audited]

In AMD thousands	Year ended December 31, 2024	Year ended December 31, 2023	Y-o-Y change
Assets			
Cash and cash equivalents	5 210 299	6 569 219	-20.7%
Reverse repurchase agreements	950 334	-	-
Financial assets at fair value through profit or loss			
• Held by the Company	4 894 628	6 549 058	-25.3%
• Pledged Under Repurchase agreements	2 502 354	1 504 482	66.3%
• Pledged under borrowings from financial institutions	-	1 903 586	-
Financial assets at fair value through OCI			
OCI - Held by the Company	5 429 814	2 802 376	93.8%
OCI - Pledged Under Repurchase agreements	38 003 618	23 882 741	59.1%
OCI - Pledged under borrowings from financial institutions	-	514 833	-
Investments in associates	308 329	210 617	46.4%
Investment in joint venture	-	16 359	-
Premises, equipment and intangible assets	374 739	245 025	52.9%
Right of use asset	121 741	142 031	-14.3%
Other assets	582 282	688 608	-15.4%
Total assets	58 378 138	45 028 935	29.7%
Equity			
Share Capital	267 150	267 150	0.0%
Share premium	208 011	208 011	0.0%
Statutory general reserve	79 670	79 670	0.0%
Financial assets at fair value through OCI reserve	1 450 628	415 956	248.8%
Retained earnings	13 051 319	9 792 139	33.3%
Total equity	15 051 319	10 762 926	39.8%
Liabilities			
Amounts payable under repurchase agreements	37 710 716	23 854 597	58.1%
Amounts due to financial institutions	2 243 443	3 132 345	-28.4%
Advance payments for unsettled transactions	855 247	3 930 608	-78.2%
Current income tax liabilities	52 027	914 914	-94.3%
Deferred Tax liabilities	359 406	8 412	4172.5%
Lease liability	150 711	132 155	14.0%
Trade and other payables	1 949 810	2 265 301	-13.9%
Provision	-	27 677	-
Total liabilities	43 321 360	34 266 009	26.4%



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