



31-Dec-2018



INVESTOR PRESENTATION





Ameriabank at a Glance

Armenia Macro Indicators

Armenian Banking Sector Indicators

Ameriabank Financial Results

Ameriabank Strategy Highlights

Annex

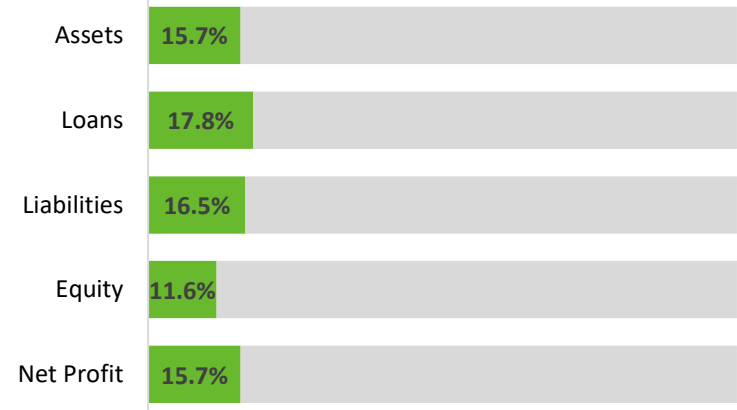




The Leading Bank in Armenia

Overview

- The largest universal bank in Armenia, offering corporate, investment and retail banking services.
- 1st in the market by key financial indicators: assets, loans, liabilities, net profit and equity
- Major contributor to Armenian banking sector development
- Ongoing appreciation and quality recognitions by reputable global institutions
- Highest possible credit ratings for an institution operating in Armenia



■ Ameriabank Market Share

Ratings

S&P

Long-term	B+
Short-term	B
Outlook	stable
SACP	bb-

Moody's

Bank Deposits (LC)	B1/NP
Bank Deposits (FC)	B2/NP
BCA	b1
CRA	Ba3(cr)/NP
Outlook	positive



17
Branches



891
Employees



124
ATMs

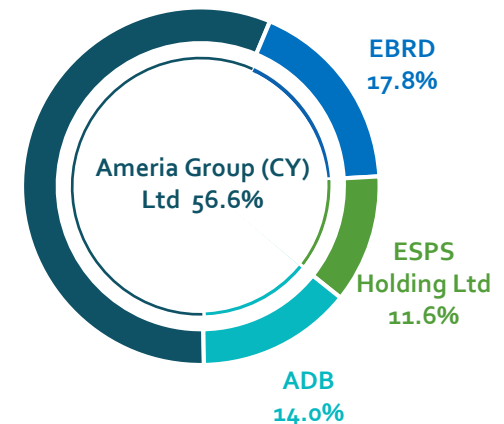


2021
POS
Terminals



316
Virtual POS
Terminals

Ownership structure





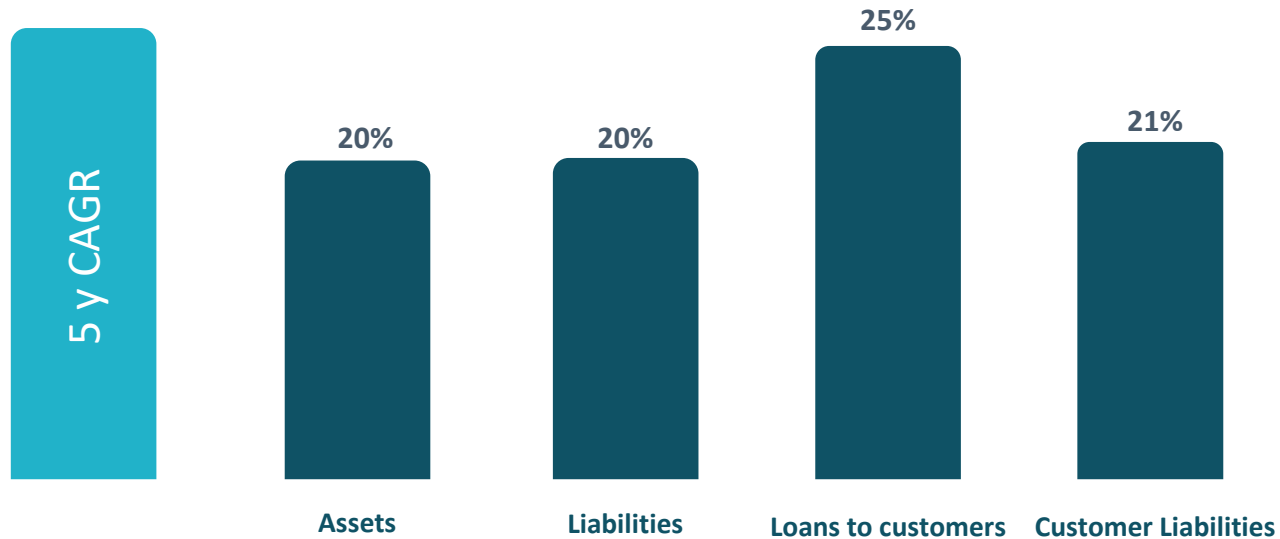
Impressive Above Average Growth

Above 20% 5-yr CAGR
of key financial
metrics

Major contributor to
RA banking sector
development with
above market average
growth rates

Among top 5 retail
banks in Armenia after
strategic shift
announced in 2011,
with tripled Retail &
SME loan portfolio

the leading bank in Armenia by key
financial metrics since 2015





Innovator and Trend Setter

Goals

Developing multichannel distribution platform, with enhanced distance banking capabilities.

Implementing comprehensive digital transformation project.

Milestones reached

Fully automated scoring based online loans implemented for consumer and SME loans, online onboarding of clients and cooperation/integration with the most active payment & settlement organizations for developing distance channels

Preliminary results



59% yoy

Internet Banking Transactions



1217% yoy

Payment Terminal Transactions*



175% yoy

vPOS** Transactions



97% yoy

Number of Ameriabank customers



93%

Share of online scoring loans in total number of consumer loans



74%

Share of online scoring loans in total volume of consumer loans

* Includes not only Ameriabank payment terminals, but also other service providers, that Ameriabank cooperates with

** Ameriabank's online payment system used by online shops and service providers



Strong Team and Corporate Culture





Our Board of Directors



**Andrew
Mkrtchyan**

Chairman of the
Board

Over 20 years of experience in investment and management advisory by standing at the roots of investment banking establishment in Armenia, board member in a number of private/public organizations.



**Lindsay M.
Forbes**

Non-executive
Board Member

Over 35 years of experience in commercial and investment banking, including more than 20 years with European Bank of Reconstruction and Development (EBRD). Before joining EBRD, Mr. Forbes spent 13 years with the British Linen Bank, the Investment Bank subsidiary of Bank of Scotland.



**Ruben
Vardanyan**

Non-executive
Board Member

Prominent impact investor investment banker with more than 25 years of experience, key figure in Russia's capital markets establishment, a Founding Partner of Moscow School of Management SKOLKOVO, board member at numerous entities in Russia and abroad, member of the Economic Advisory Board at IFC.



**Robert von
Rekowsky**

Non-executive
Independent Board
Member

Almost 30 years of experience in global asset management, specialized in emerging markets funds, a former vice-president at Emerging Markets Strategy and portfolio manager for Fidelity Investments.



**Noubar
Afeyan, PhD**

Non-executive
Board Member

Over 30 years of experience in venture capital management (MP/CEO Flagship Pioneering, co-founder of over 35 successful life science and technology startups) and a senior lecturer at MIT, serves on a number of public and private company boards.



**Philip
Lynch**

Non-executive
Board Member

Over 30 years of experience in finance, including more than 20 years with Lehman Brothers in senior positions. Was CEO of Middle East, Asia Pacific and Africa business at Nomura, is currently the founding partner of Stem Capital Partners - an independent direct investment company.



**Pierre
Gurdjian**

Non-executive
Board Member

Over 25 years of experience in advisory business, President of the Board of Directors of the Université Libre de Bruxelles, a Board member in various universities and international organizations, was a Senior managing Partner of Belgian-Luxemburgian office at McKinsey & Company.



Our Management Board

Strong management team with 20+ years of financial services expertise



Artak Hanesyan

CEO, Chairman of
Management Board

Distinguished banker with more than 25 years of experience in the banking system of Armenia.



Gevorg Tarumyan

CFO, Deputy General
Director

More than 25 years of experience in the financial system and 20 years of experience as CFO in commercial banks of RA.



Gagik Sahakyan

Director, Corporate
Banking

Around 10 years of experience in corporate banking and around 15 years experience in management advisory.



Arman Barseghyan

Director, Retail
Banking

Around 20 years of experience in operations and retail banking management in banking system of Armenia.



Andranik Barseghyan

Head, Risk
Management Center

Around 25 years of experience in financial institutions risk management and automation technologies.



Tigran Jrbashyan

Director, Development

Around 30 years of research experience in private and international organizations.



Gohar Khachatryan

Chief Accountant

Around 30 years of experience holding key positions both in the regulatory body of the banking system and in private bank



Arthur Babayan

Director, Trading

More than 20 years of experience in trading in various commercial banks of Armenia.



2018 Q4 Major Achievements

absolute leader
per Q4 2018 results

Assets of AMD 780 B

1st

Liabilities of AMD 690 B

1st

Loan Portfolio of AMD 543 B

1st

Equity of AMD 90 B

1st

Profit of AMD 10.5 B

1st

Assigned 'B+/B' long and short-term issuer credit ratings with stable outlook by S&P Global Ratings, becoming the first entity in Armenia ever rated by S&P.

S&P Global
Ratings

Entered into EUR 16.8M long-term subordinated loan agreements with Global Climate Partnership Fund (GCPF) and funds managed by ResponsAbility Investment AG, strengthening the capital position and ensuring sufficient buffers for further growth.

 **GLOBAL CLIMATE**
PARTNERSHIP FUND
managed by responsAbility

responsAbility



Ameriabank at a Glance

Armenia Macro Indicators

Armenian Banking Sector Indicators

Ameriabank Financial Results

Ameriabank Strategy Highlights

Annex



Armenia: country overview

General

Government: parliamentary republic

Current PM: Nikol Pashinyan, since Dec 2018

Official language: Armenian

Ethnic groups: 98.1% Armenians, 1.2% Yazidis,
0.4% Russians, 0.3% other

Economy

Currency: Armenian Dram (AMD)

Population: 3 mn

GDP: 11.5 bln (2017, current \$)

GDP per capita: 3,872 (2017, current \$)

Real GDP growth (2017): 7.5%

Average real GDP growth (2012-2017): 4.1%

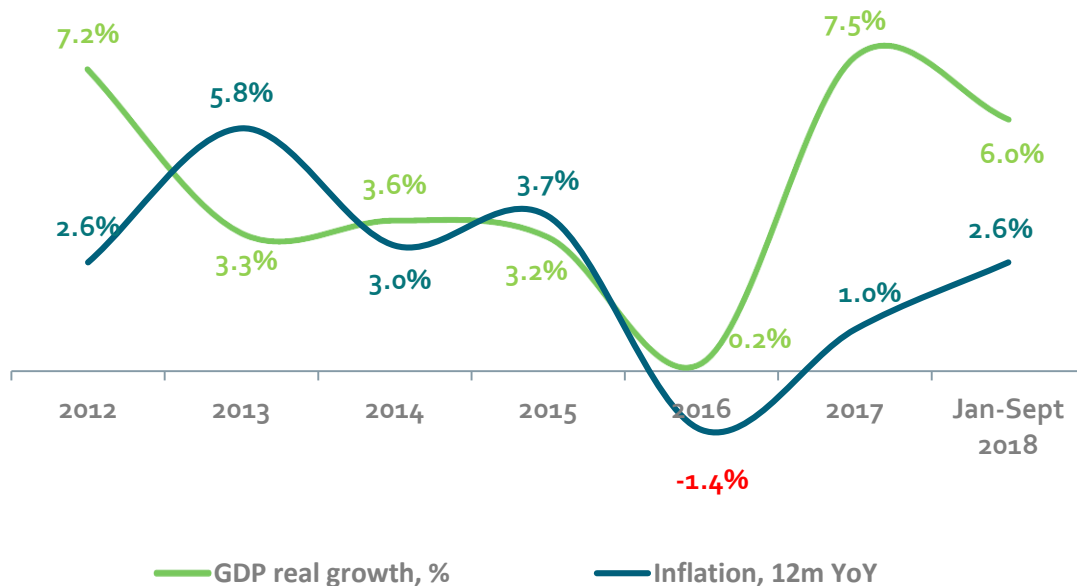
Ratings

Moody's: B1 (positive)

Fitch: B+ (positive)

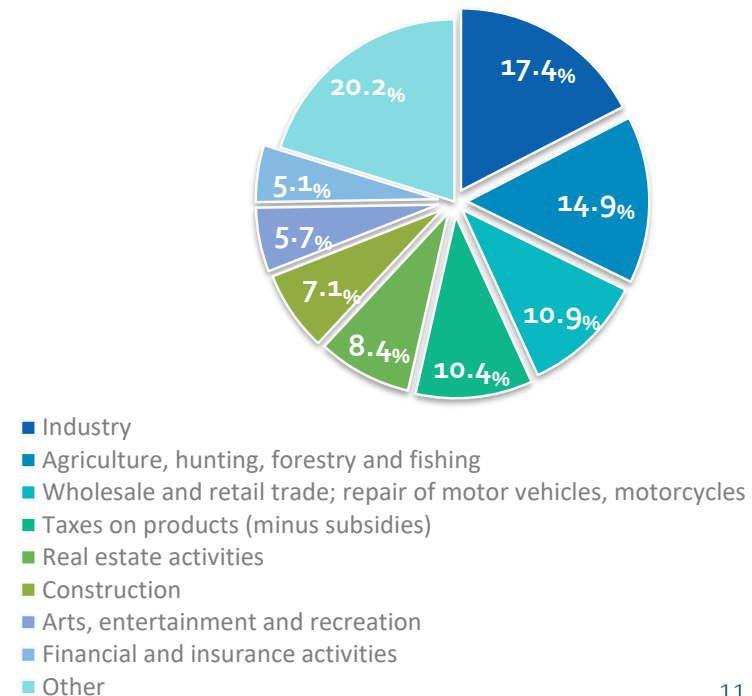
GDP growth and inflation dynamics

2012-Jan-Sept 2018



GDP Structure by production

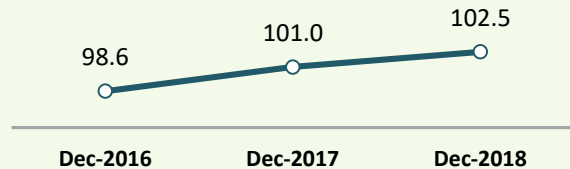
most recent 4 quarters



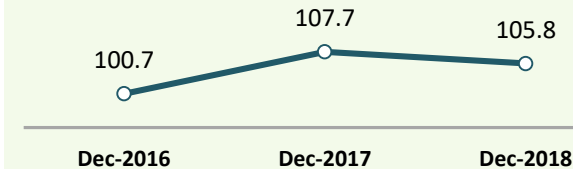


Armenia macro indicators

CPI (12m)



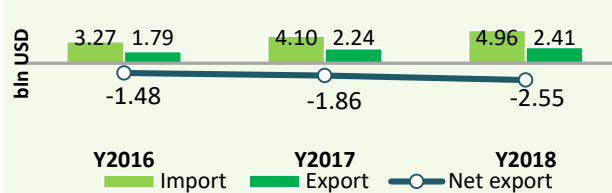
Index of Economic Activity (IEA 12m)



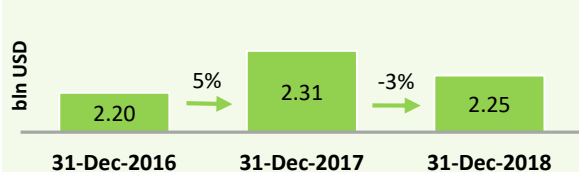
Current account (BOP)*



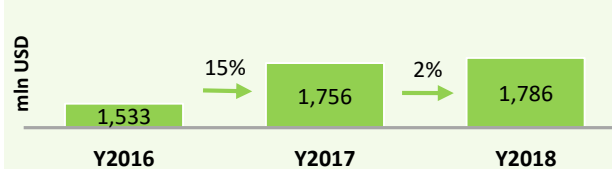
Import and export



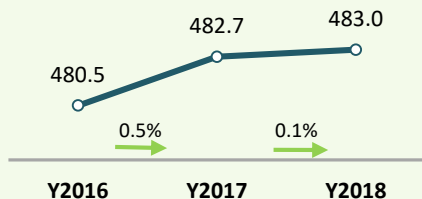
International Reserves



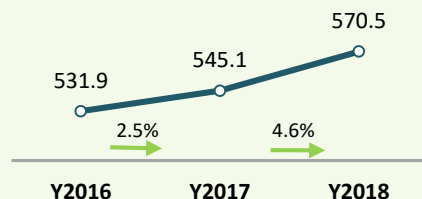
Remittances**



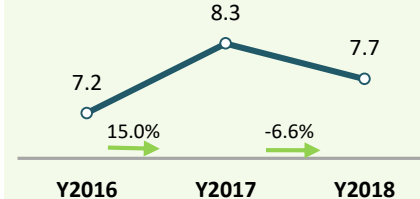
AMD/USD (daily average)



AMD/EUR (daily average)



AMD/RUB (daily average)



HIGHLIGHTS

- Y2018 EAI (GDP proxy) comprised 105.8%, lower by 1.9pp compared to Y2017.
- AMD/USD rate remained relatively stable throughout the year.
- There was a slight negative change in CBA international reserves mainly due to increased trade deficit.
- 12-month CPI remained within CBA target range with an annual inflation of 2.5%.

* Updated YE information will be available in 2019 Q1 report

** Remittances include total commercial and non-commercial transfers of physical persons through the banking system



Armenia: recent political developments



- **May 8, 2018:** The protest leader, **Nikol Pashinian**, was appointed prime minister.
- **September 2018:** “My Step ” Alliance, with **81.06%** of the votes, secured a landslide victory in the Yerevan municipal elections on September 23, 2018. The Prosperous Armenia Party came a distant second with **6.96%**, followed by the “Luys” Alliance with **4.99%**. The candidate of the "My Step" Alliance, **Hayk Marutyan became the capital's new mayor**.
- Prime Minister **Nikol Pashinyan** declared in **early October** that his aim is to organize extraordinary parliamentary elections in December 2018.
- **Nikol Pashinyan resigned on October 16**, so that snap parliamentary elections could be held in early December.
- The parliament was dissolved after failing to choose a new prime minister.
- The **parliamentary elections** were held on **December 9**, with Nikol Pashinyan’s “**My Step**” alliance winning by a landslide



Ameriabank at a Glance

Armenia Macro Indicators

Armenian Banking Sector Indicators

Ameriabank Financial Results

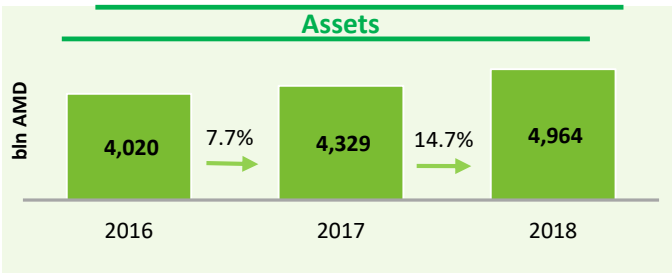
Ameriabank Strategy Highlights

Annex

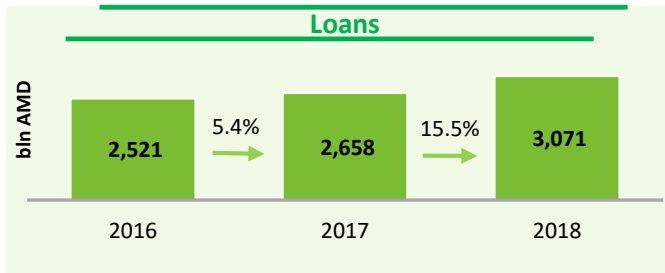


Armenian Banking Sector Highlights

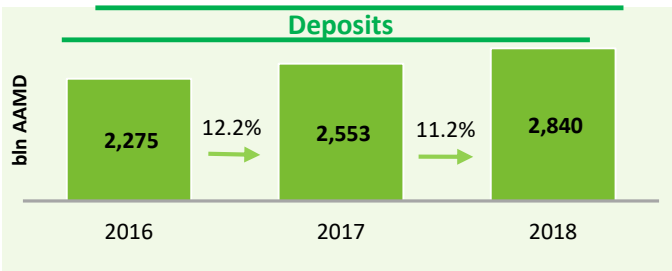
Assets



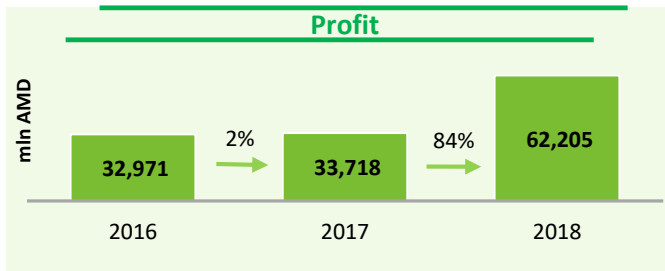
Loans



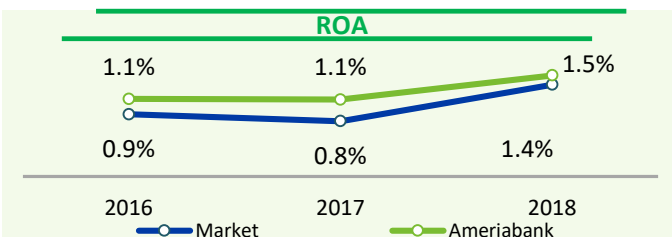
Deposits



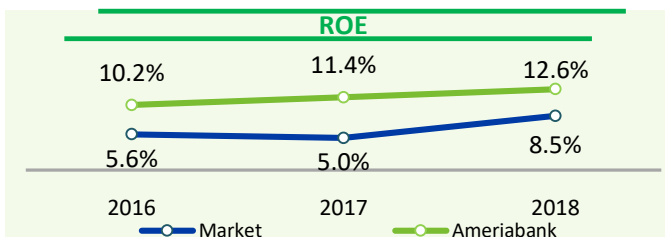
Profit



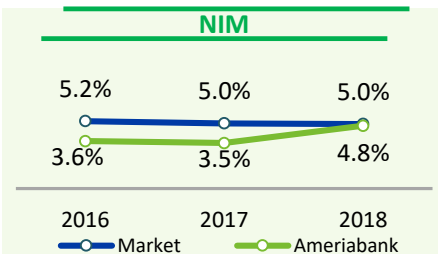
ROA



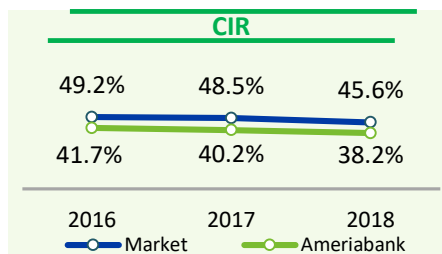
ROE



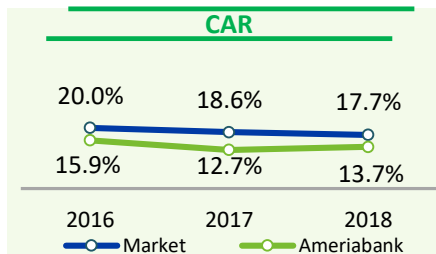
NIM



CIR



CAR



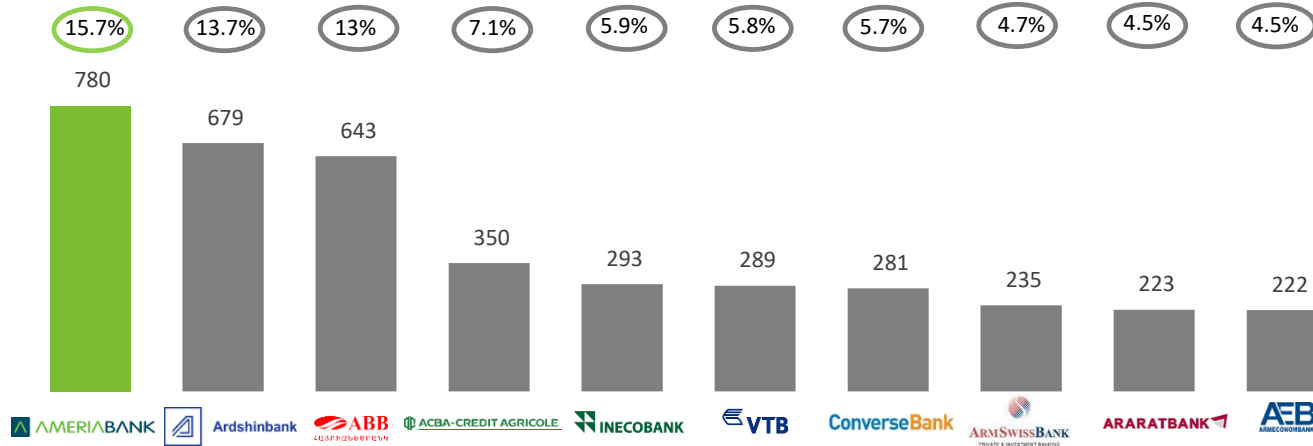
HIGHLIGHTS

- Banking sector total assets and loans increased by 14.7% and 15.5% as of YE 2018 respectively.
- In 2018 most banks in the market recovered from losses, resulting in 84% increase in the overall Net profit. VTB remains the only loss making bank.
- The market ROE improved significantly reaching 8.5%. Ameriabank's ROE still over-performed the market average by 4.1pp comprising 12.6%.



Ameriabank's position in Armenian banking sector

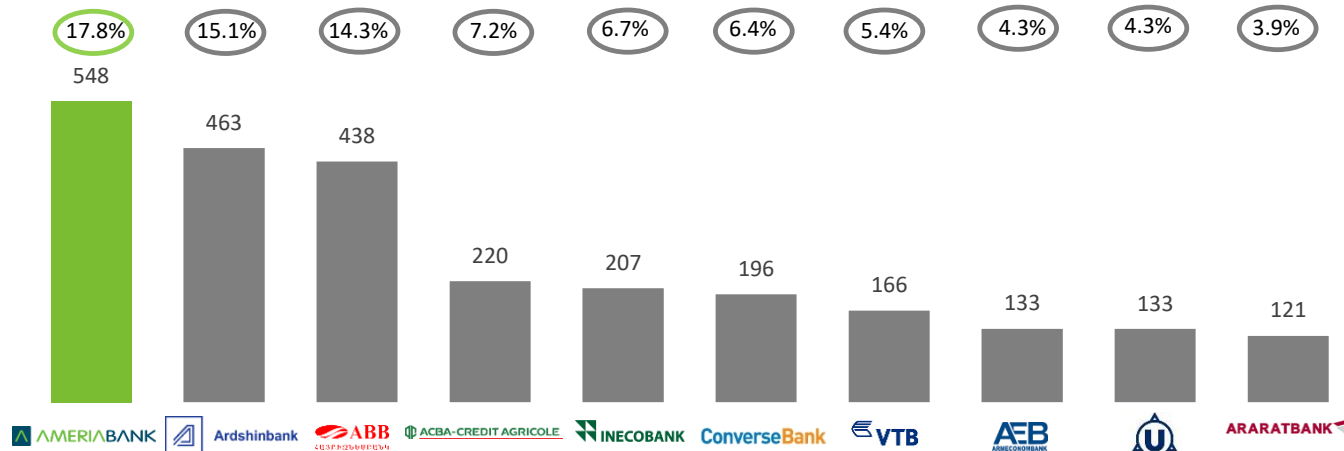
Top 10 banks by assets (AMD B)



HIGHLIGHTS

- The largest bank in Armenia. The leading bank by assets, loans, liabilities, equity and net profit.
- CAGR of the Bank's assets and loans for the last 5 years has been 20% and 25.4% respectively, resulting in market share of 15.7% and 17.8% respectively.

Top 10 banks by loans* (AMD B)



*net of impairment allowances



Ameriabank at a Glance

Armenia Macro Indicators

Armenian Banking Sector Indicators

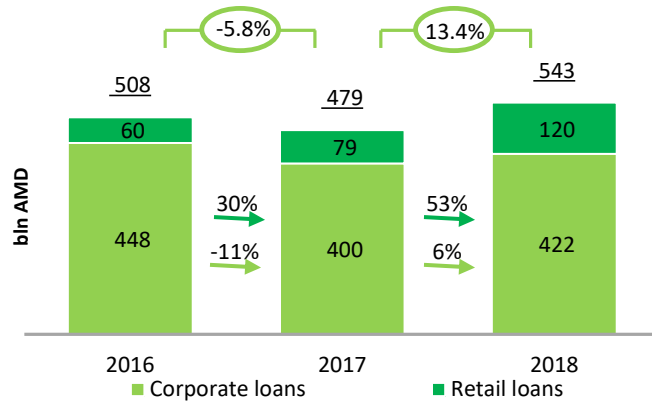
Ameriabank Financial Results

Ameriabank Strategy Highlights

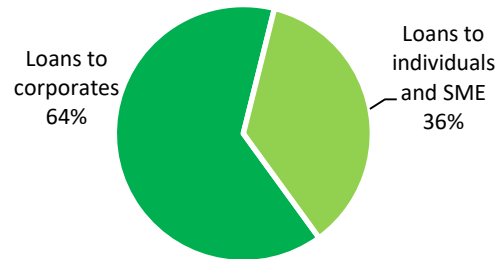
Annex



Loan portfolio



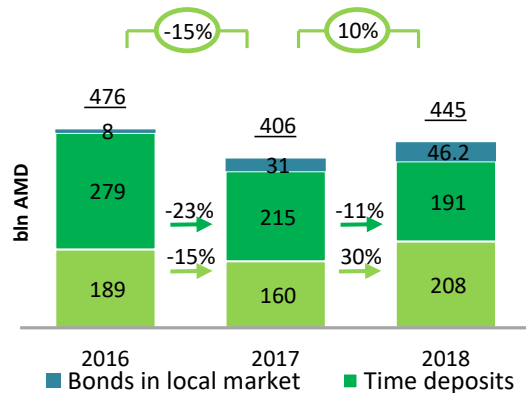
Loan portfolio breakdown



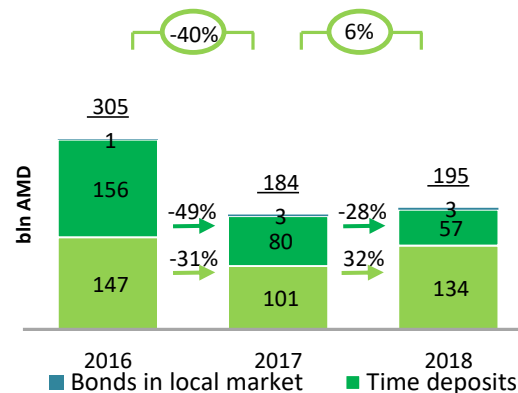
HIGHLIGHTS

- The largest loan portfolio in Armenian banking sector, with YoY growth of 13.4% and 25.4% CAGR over the last 5 years.
- Robust growth of retail and SME loans with increasing share in total loans.
- Despite steady and continuous reduction of interest rates the total volume of deposits and bonds increased by 10%.
- The Bank is leading the local corporate bond market with USD 95.5M outstanding bonds and 29% market share.

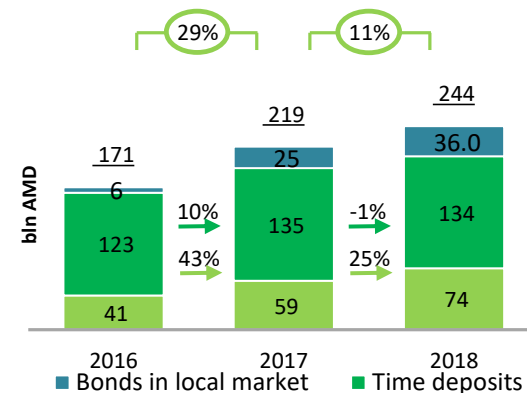
Deposit & bonds



Corporate deposits & bonds



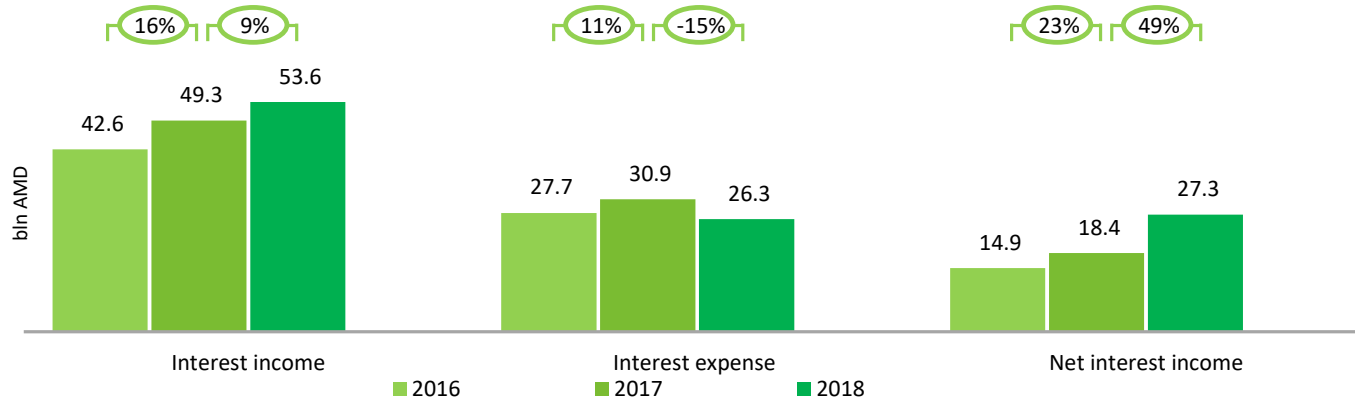
Retail deposits & bonds



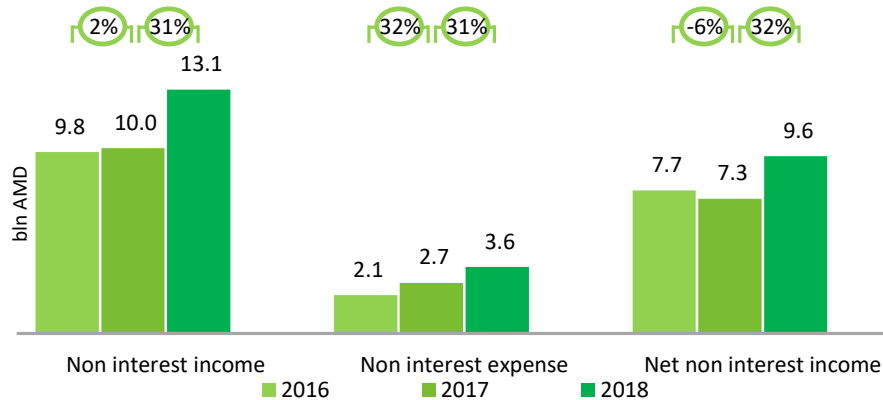


Income

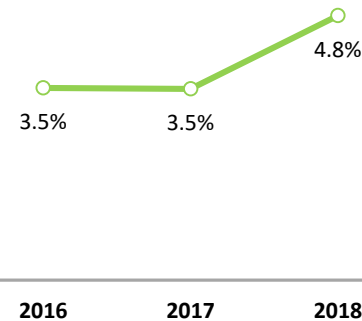
Interest income



Non interest income



NIM (Net Interest Margin)



HIGHLIGHTS

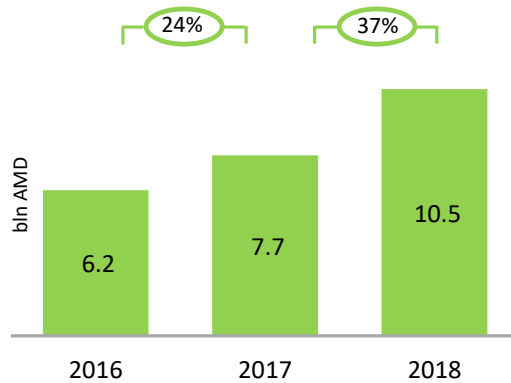
- Net interest income increased by 49% YoY due to positive changes both in interest expense and income.
- As a result of decrease of cost of funding and increase of asset-liability spread NIM registered 1.3pp growth reaching the level of 4.8%, which is the highest result after 2014 market turbulence.
- Net non interest income increased by 32% YoY due to significant growth of both investment banking/advisory services and core business activities.

4.8%
NIM
AMD 27.3_b
net interest income

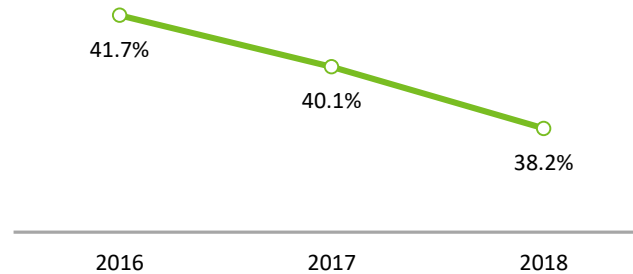


Efficiency and Profitability

Net profit



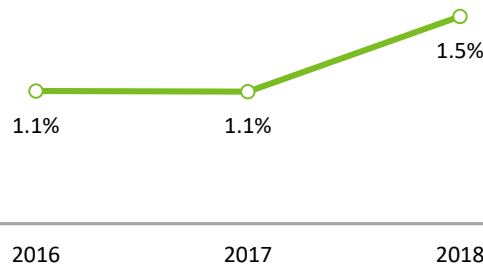
CIR (Cost to Income ratio)



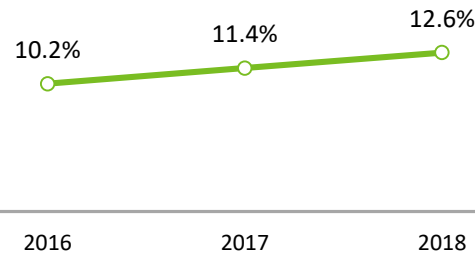
HIGHLIGHTS

- Net profit registered record YoY growth of 37% reaching the level of AMD 10.5.
- Significantly higher profitability with 1.4pp increase of ROE and 0.4pp increase of ROA as a result of better asset structure and liquidity management.
- CIR improved by 1.9pp due to significantly higher profitability.

ROA (Return on Assets)



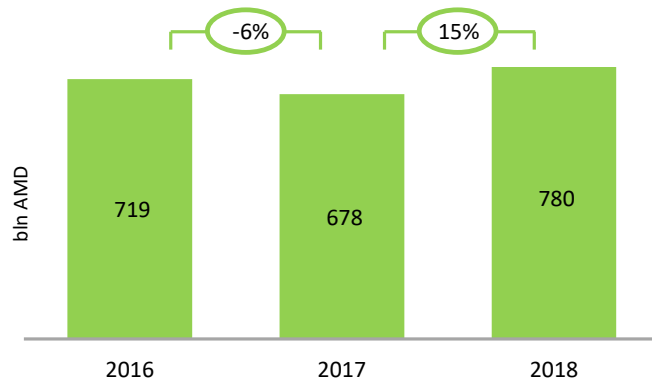
ROE (Return on Equity)



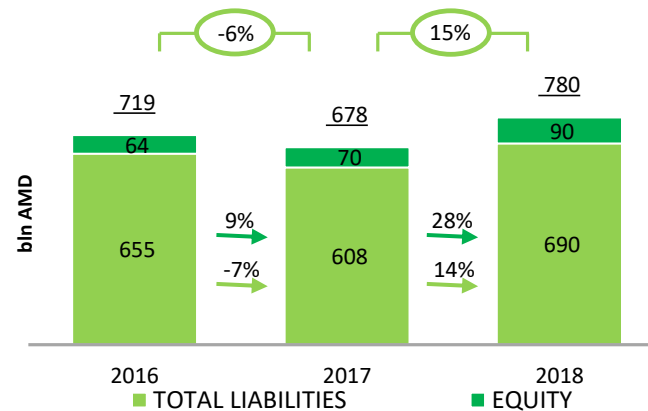


Asset and Liabilities Structure

Assets



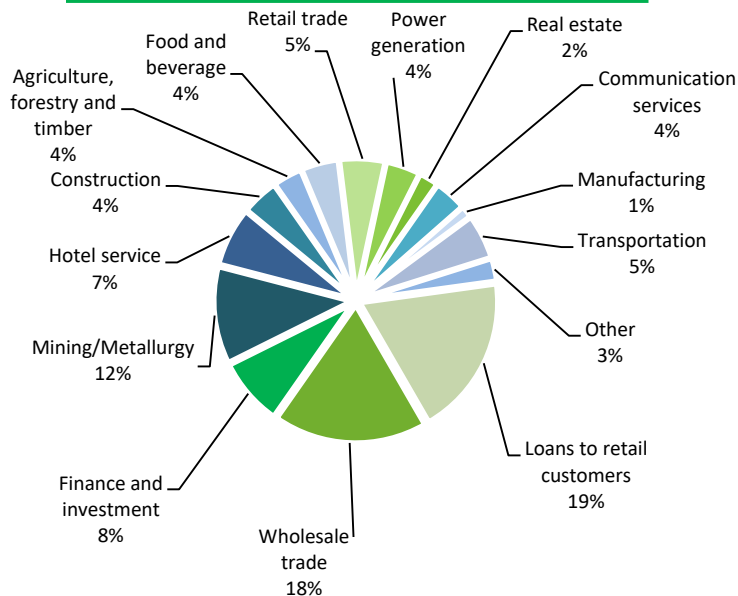
Liabilities and equity



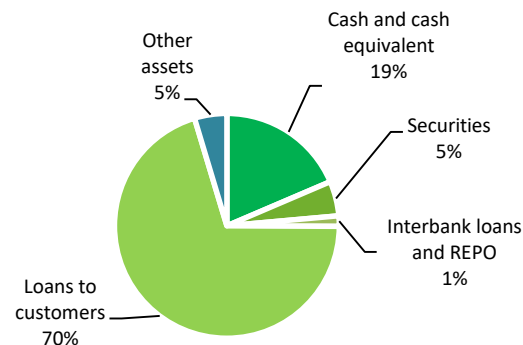
HIGHLIGHTS

- 15% growth of assets and 28% growth of equity in 2018. The latter was the result of both high net profit and new capital injections.
- Diversified balance-sheet structure with 70% interest earning assets to total assets and 65% customer funds to total liabilities.
- Maintaining exceptional sectorial diversification of loan portfolio, with balanced exposure to all industries.

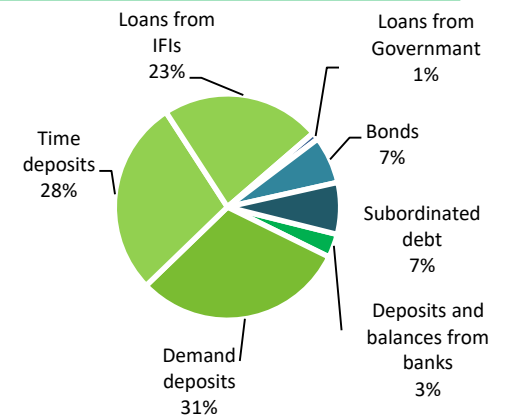
Loan portfolio structure by sector



Structure of assets



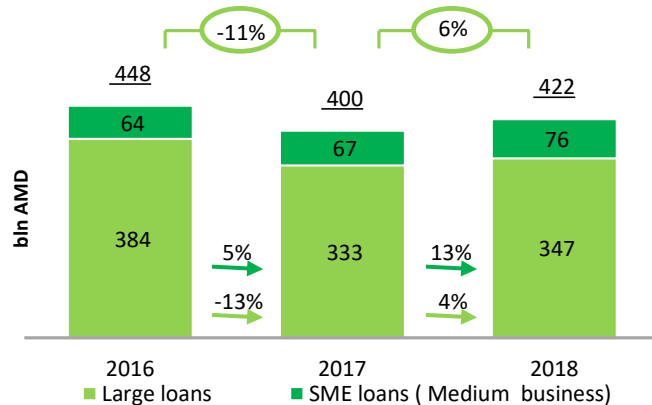
Structure of liabilities



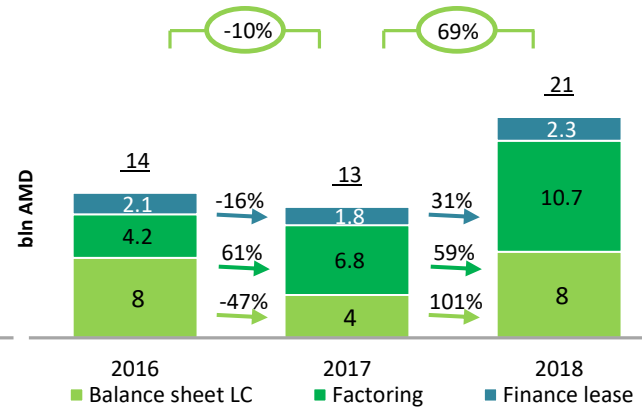


Corporate and Retail Banking

Corporate loans



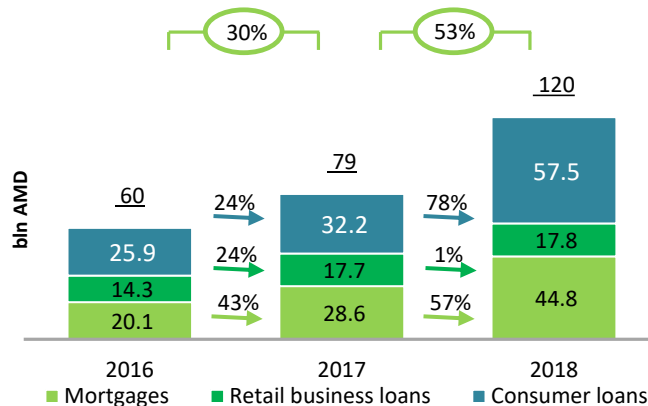
Trade finance



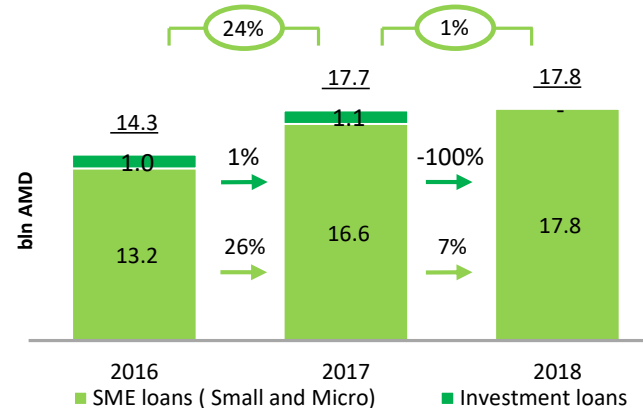
HIGHLIGHTS

- Retail loan portfolio grew by record 53% YoY.
- Corporate loan portfolio registered 6% growth YoY.
- Trade Finance portfolio grew by 69% YoY, with significant growth in all product lines.
- New consumer finance products and score-based loan approval procedure have significantly increased loan disbursement capacities, resulting in 78% growth of consumer loans portfolio.

Retail loans



Retail business loans



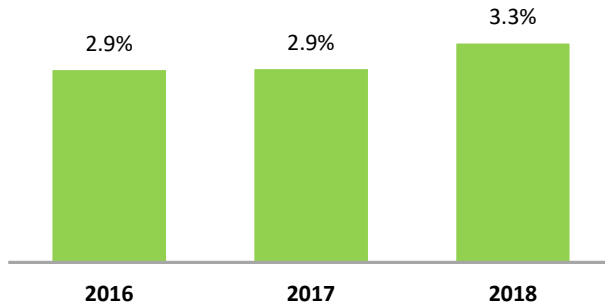
AMD 422_b
corporate loans

AMD 120_b
retail loans

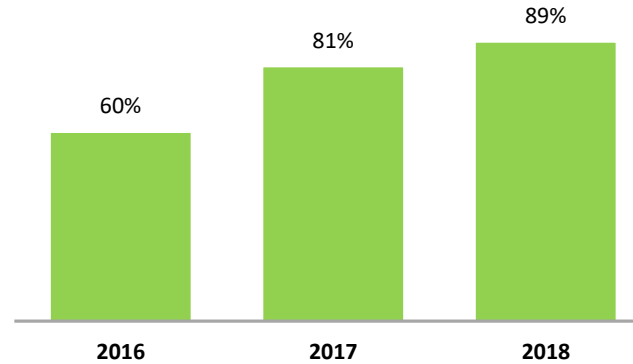


Loan Portfolio Quality

NPL (PAR 90+)



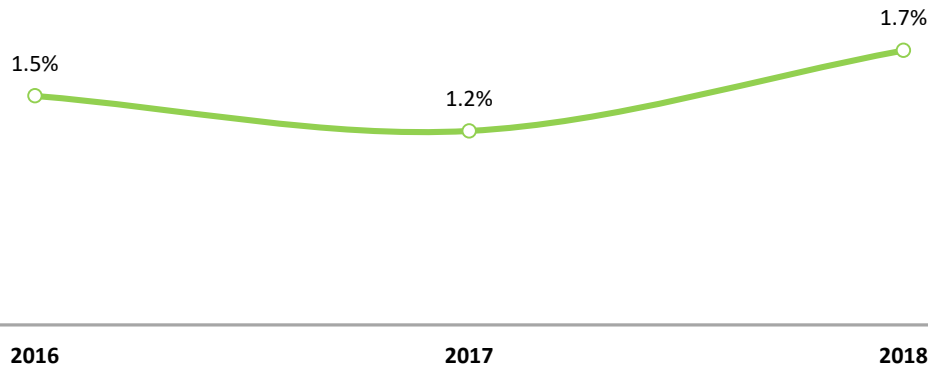
Coverage ratio (PAR 90+)



HIGHLIGHTS

- Slightly higher NPL ratio and cost of credit risk as of YE, with positive change in coverage ratio.
- 2018 provisioning is based on IFRS9, which, other things being equal, implies higher Cost of credit risk and higher Coverage ratio.

Cost of credit risk



3.3%

NPL (PAR 90+)

1.7%

Cost of credit risk

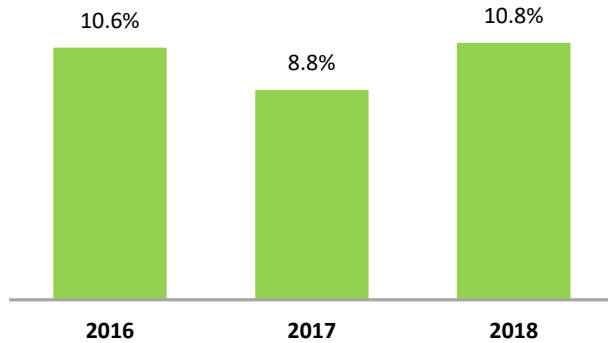
89%

Coverage ratio (PAR 90+)

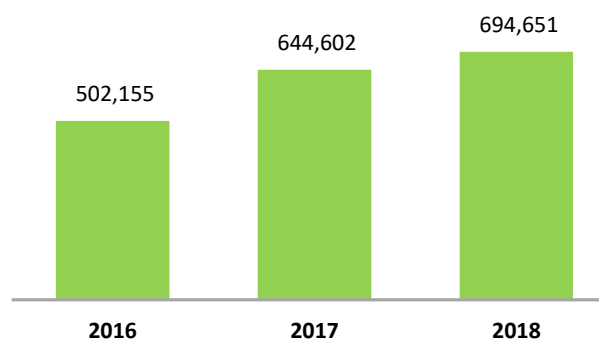
- Quarterly Cost of credit risk is annualized
- 2018 NPL and Coverage ratios are based on Stage 3 Loans.



Tier 1 Ratio



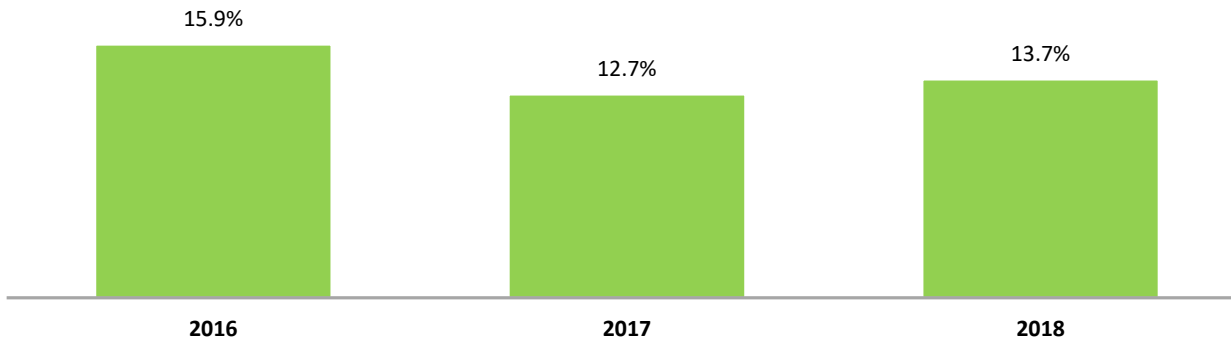
Risk Weighted Assets



HIGHLIGHTS

- Improved Tier 1 and total capital adequacy ratios, reaching the levels of 10.8% and 13.7% respectively and ensuring sufficient buffers for further growth.

Capital Adequacy Ratio

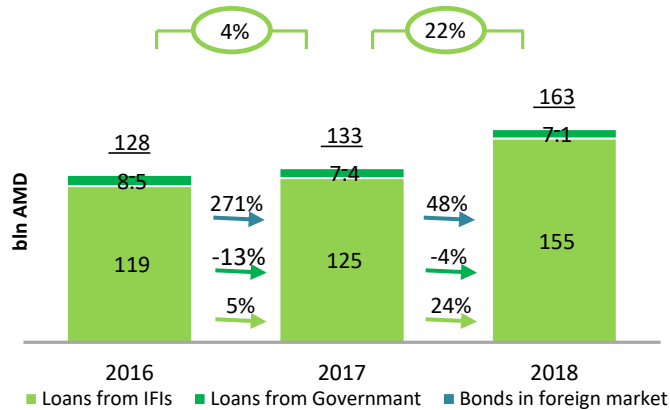


13.7%
CAR

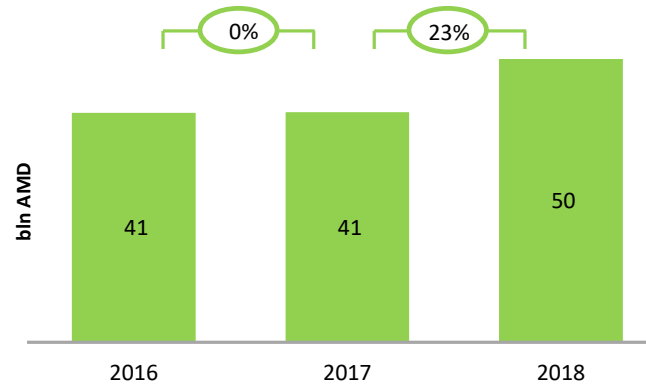


Funding And Liquidity

Attracted funds



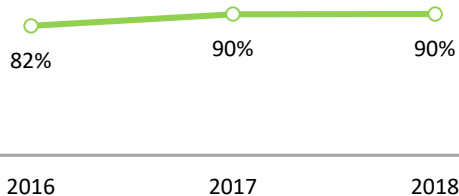
Sub-debt



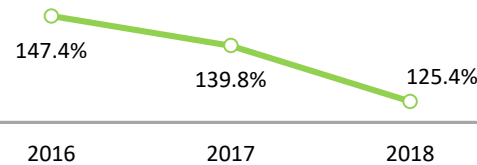
HIGHLIGHTS

- 24% increase of funds attracted from IFIs, resulting in 22% overall increase of total attracted funds.
- New long-term subordinated loan agreements signed in Q4 2018, resulting in 23% growth of total subordinated debt.

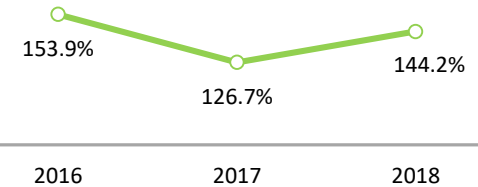
Loans to deposits and borrowings ratio



LCR (Liquidity Coverage Ratio)



NSFR (Net Stable Funding Ratio)





Ameriabank at a Glance

Armenia Macro Indicators

Armenian Banking Sector Indicators

Ameriabank Financial Results

Ameriabank Strategy Highlights

Annex





Mid-term Targets

	Mid-term target	Actual performance
ROE	> 15%	12.6%
CIR	< 40%	38.2%
Loan Book Growth	double digit	13.4%
Retail + SME Share	> 40%	36%
Retail + SME Growth	> 15%	33.5%
NPL	< 5%	3.3%



Ameriabank at a Glance

Armenia Macro Indicators

Armenian Banking Sector Indicators

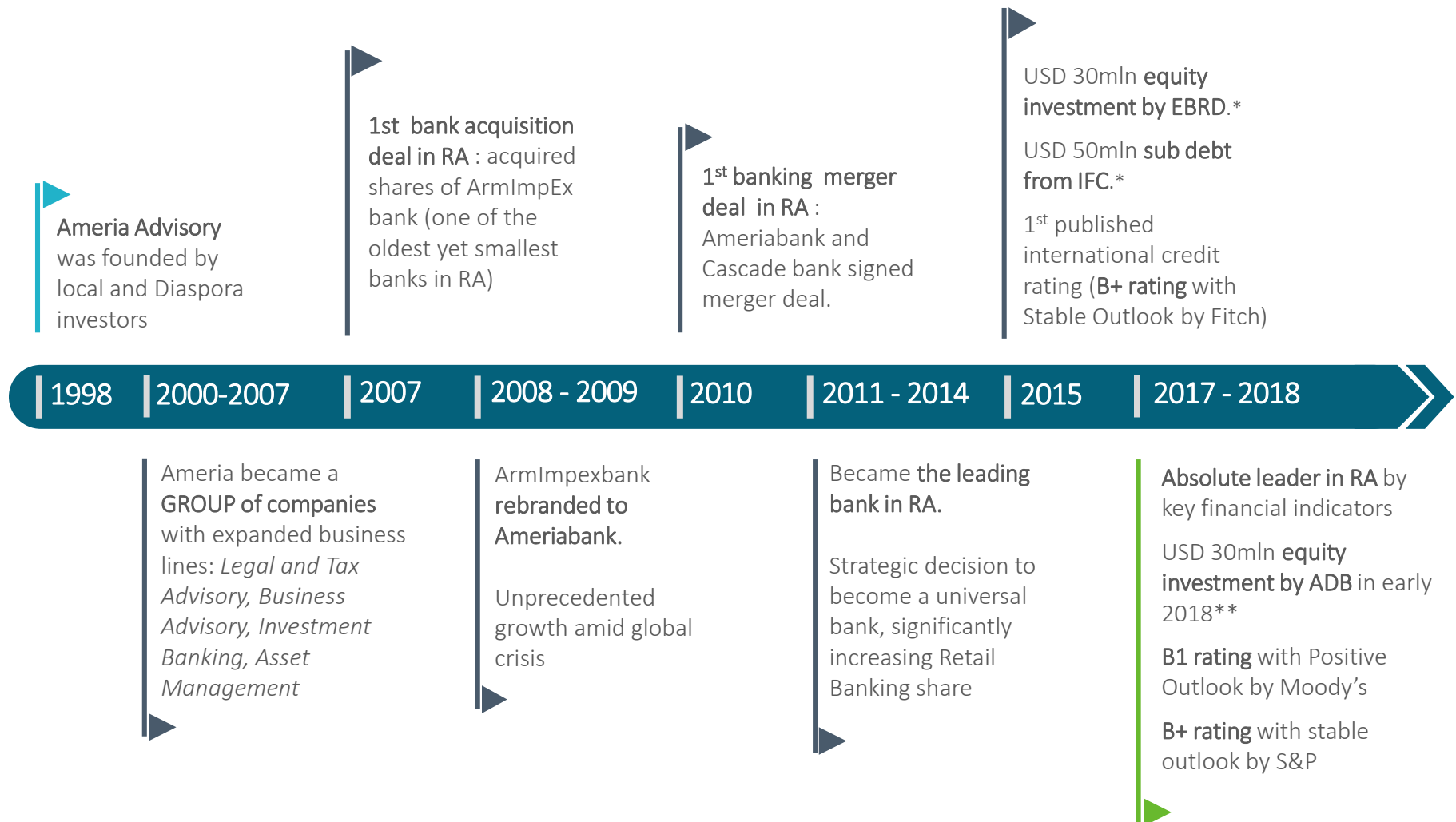
Ameriabank Financial Results

Ameriabank Strategy Highlights

Annex: Ameriabank historic snapshot



► From advisory to banking



* The largest deal with a FI in Armenia

** the first equity investment of ADB in Armenia



Our Shareholders

2007-2013



AmeriaGroup (CY) Ltd (former TDA Holdings Ltd), with prominent investment banker Ruben Vardanyan and venture capitalist Noubar Afeyan as main beneficiaries, became the 100% shareholder of Ameriabank CJSC (former ArmImpEx Bank CJSC)

2015



EBRD became the first international institution to become a shareholder with investment of USD 30 mn

2016

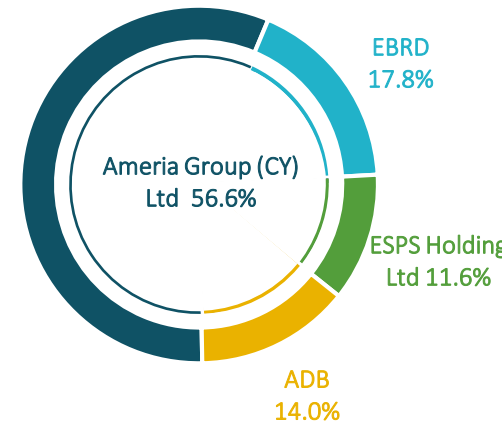
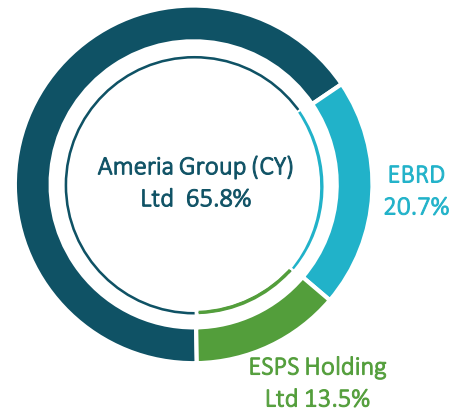
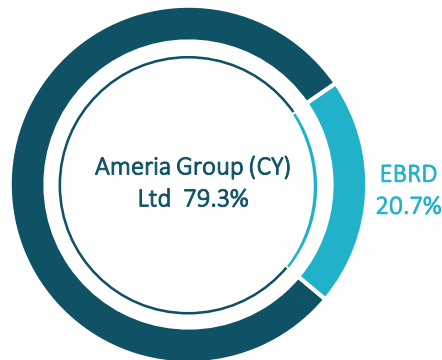


ESPS Holding Limited has been established for holding shares of Ameriabank's management team vested by the Employee Share Ownership Plan.

2018



ADB made its first equity investment in Republic of Armenia, joining Ameriabank's shareholders with another USD 30 mn investment





Recognition and honors for achievements



2017, 2016, 2015, 2014,
2013, 2012

EUROMONEY

EUROMONEY
AWARDS FOR EXCELLENCE
2018

2018, 2017, 2016, 2014, 2012,
2011



Best Bank in Armenia



2017, 2016, 2015, 2013,
2010

Numerous awards and recognitions from global institutions, agencies
and IFIs in trade finance, investment banking, capital markets and
custody services.





Ameriabank at a Glance

Armenia Macro Indicators

Armenian Banking Sector Indicators

Ameriabank Financial Results

Ameriabank Strategy Highlights

Annex: Financial Performance Details



Balance sheet

ITEMS	2018	2017
Cash and cash equivalents	144,827,613	108,149,043
Financial instruments at fair value through profit or loss	6,817,010	3,968,064
Available-for-sale financial assets	11,602,128	9,888,078
Money market short-term disbursements	11,693,545	19,518,284
Loans and advances to customers*	547,943,183	479,640,980
Held-to-maturity investments	38,825,463	43,305,844
Property, equipment and intangible assets	10,240,337	7,126,916
Other assets	7,812,158	6,124,888
Total assets	779,761,437	677,722,097
Financial liabilities at fair value through profit or loss	20,621	686,306
Liabilities to banks	60,088,173	46,125,694
Current accounts and deposits from customers	399,086,132	375,170,779
Other borrowed funds	120,913,209	98,128,094
Sub-debt	50,414,125	40,919,768
Other liabilities	59,467,020	46,789,585
Total liabilities	689,989,280	607,820,226
Share capital and premium	54,269,205	39,842,539
Revaluation Reserve	347,646	338,214
Retained earnings	35,155,307	29,721,118
Equity	89,772,158	69,901,871

*net of impairment allowances



Profit & loss

ITEMS	2018	2017
Net interest income	27,331,071	18,364,309
Net fee and commission income	3,399,636	2,785,135
Net profit/loss from trading operations	4,285,001	4,263,809
Other operating income (expenses)	1,766,590	219,505
Operating income	36,782,298	25,632,759
Impairment losses	(9,403,714)	(5,811,644)
Personnel expenses	(7,936,402)	(6,240,813)
Total administrative expenses	(6,118,214)	(4,043,606)
Profit/ (loss) before tax	13,323,968	9,536,696
Profit tax	(2,821,524)	(1,847,222)
Net profit/ (loss)	10,502,444	7,689,474

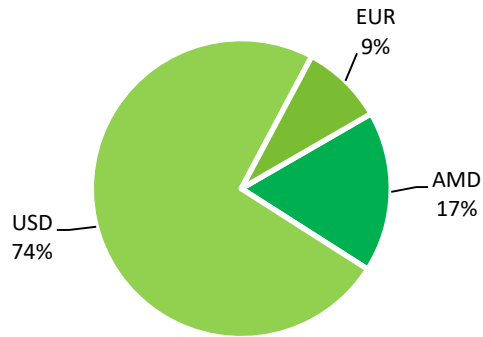


CBA prudential standards

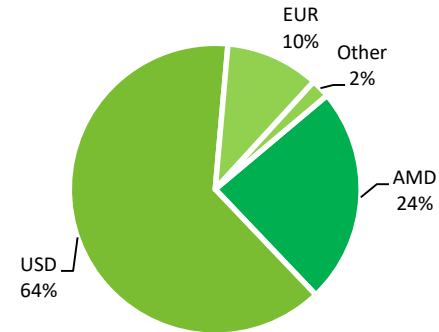
ITEMS	2016	2017	2018	CBA requirement	Violations
Minimum statutory fund (ths)	32,087,360	32,087,360	37,300,480	50,000	No violation
Minimum total capital (ths)	81,922,300	84,123,389	97,770,976	30,000,000	No violation
S12_Total capital to risk weighted assets	15.9%	12.7%	13.7%	12%	No violation
S21_High liquid assets/ Total assets	31.2%	29.7%	21.9%	15%	No violation
S211_High liquid assets of first group of currency / Total assets of first group of currency	20.5%	16.2%	11.4%	4%	No violation
S22_High liquid assets/ Demand liabilities	133.2%	93.4%	78.8%	60%	No violation
S221_High liquid assets of first group of currency/ Demand liabilities of first group of currency	75.6%	46.5%	41.5%	10%	No violation
S31_Maximum risk on a single borrower	15.1%	15.6%	14.6%	20%	No violation
S32_Maximum risk on large-scale borrowers	203.2%	297.6%	280.9%	500%	No violation
S41_Maximum risk on bank related person	3.2%	3.2%	2.7%	5%	No violation
S42_Maximum risk on all bank related persons	10.8%	9.4%	9.6%	20%	No violation
Minimum requirement for obligatory reserves allocated with RA CBA: AMD Currency	X	X	X	2% 20%	No violation
Maximum risk of currency position/ total capital of the bank	0.4%	0.2%	0.0%	10%	No violation
Maximum risk of separate currency positions/ total capital of the bank: USD EUR RUB other	X	X	0.0%	7%	No violation



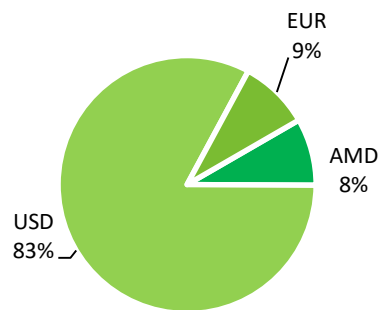
Currency structure of loan portfolio



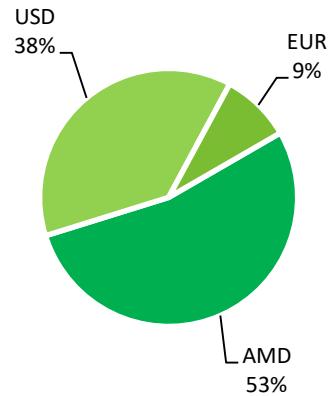
Currency structure of deposits



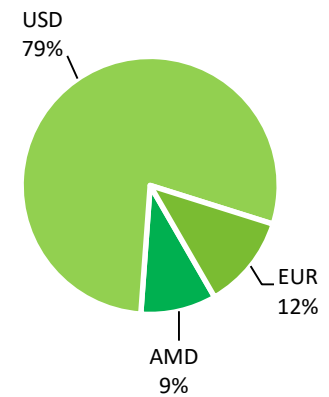
Currency structure of corporate loans



Currency structure of retail loans



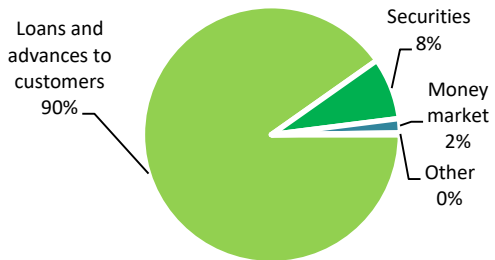
Currency structure of trade finance



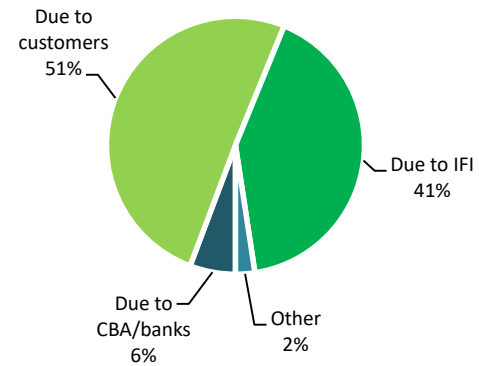


Income Structure

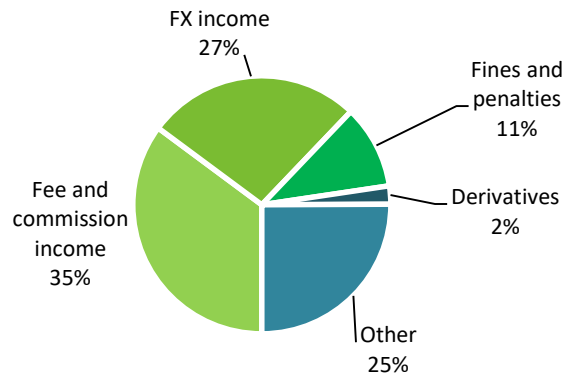
Interest income structure



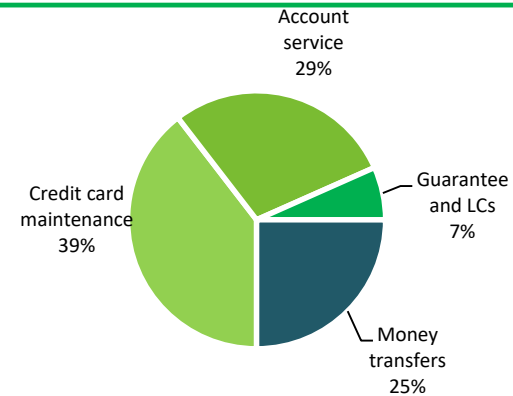
Interest expense structure



Non Interest Income structure

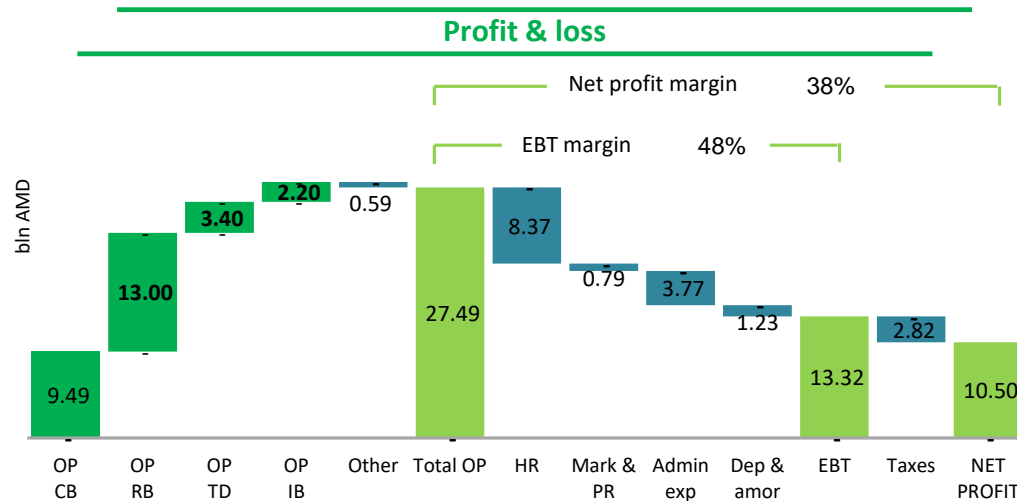


Net fee and commission income structure





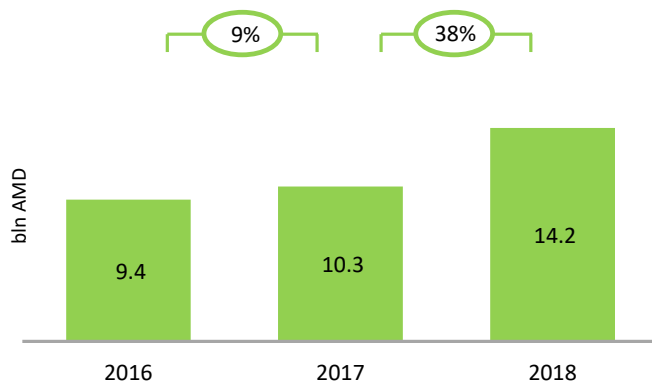
P&L Structure



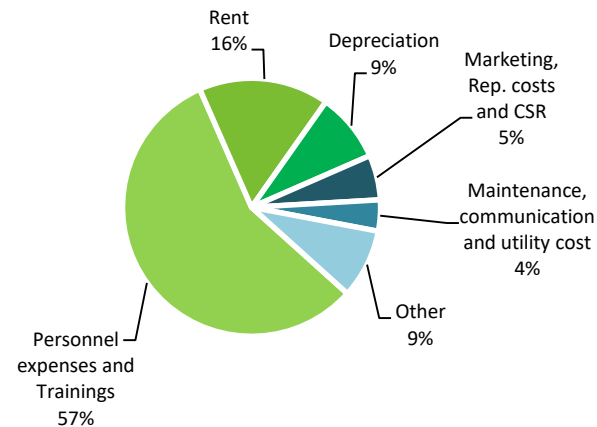
HIGHLIGHTS

- Net profit recorded double digit YoY growth of 38% reaching the level of AMD 10.5.
- The increase of Admin costs is mainly due to the increased costs associated with new branches/head office and the variable component of staff cost accruals.

Admin expenses



Structure of admin expenses





Disclaimer

The information contained in this presentation has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this information or opinions contained herein. Neither Ameriabank cjsc, nor any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its content or otherwise arising in connection with this document. This document does not constitute any offer and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

This presentation may contain forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of Ameriabank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. A number of important factors could therefore cause actual results to differ materially from those contained in any forward-looking statement.



Copies of this document are readily available upon request or can be downloaded from www.ameriabank.am/ir.



Shushanik Hovsepyan
Head of Investor Relations
E-mail: ir@ameriabank.am
Tel: + 374 10 561111
Web: www.ameriabank.am/ir
Address: 2 V. Sargsyan street, Yerevan, 0010, RA

