

InvestorPresentation



Ameriabank at a Glance

2021 Q1 Snapshot

2021 Q1 Financial Results

Strategy Highlights

Appendices



InvestmentHighlights

The Leading Bank in Armenia

1st in the market by key financial indicators since 2015, offering a window onto the whole Armenian Economy

- 2 Omni channel Distribution Platform with Focus on Digital 92% offloading ratio*
- Superior customer service, proven leadership by culture and values, doing business responsibly and promoting ESG culture in the country, first Green Bond issuer in the country.
- Best in class Governance Practices

 Best practice corporate governance and unique culture, professional and experienced management team
- Robustness and Resilience with Significant Growth Potential Sustaining decent performance during challenging times, post-pandemic accelerated growth and enhanced profitability.
- Attractive Macro Fundamentals

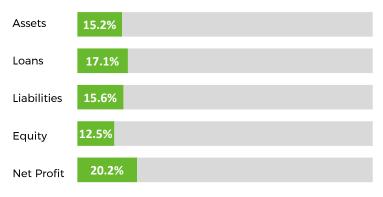
 Emerging economy, with proven resilience towards crises and external shocks, high average economic growth, low inflation and stable exchange rate.



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, liabilities, loans, deposits, profit and equity
- Major contributor to Armenian banking sector development
- Ongoing appreciation and quality recognitions by reputable global institutions
- Highest possible credit ratings within current sovereign rating constraints.



Ameriabank Market Share



20 branches



1,132 employees



43 terminals



151 ATMs



3,106 POS terminals



654 virtual POS terminals

Ratings

Bank deposits

S&P	
Long-Term	B+
Short-Term	В
Outlook	negative
SACP	bb-
Moody's	

Ba3/NP

BCA	B1
CRA	Ba3(cr)/NP
Outlook	negative

Ownership Structure





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2021 Q1 Achievements

leader per 2021 Q1 results*



1st 897 B Liabilities





Global Finance Names Ameriabank the Best Bank and Best Investment Bank of the year 2021 in Armenia.



The offloading ratio reached 92% with online banking penetration rate at 48%.



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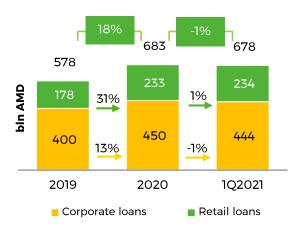
Strategy Highlights

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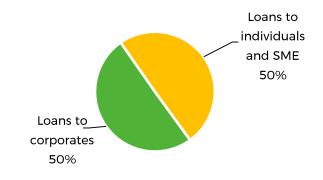


Core Business

Loan portfolio



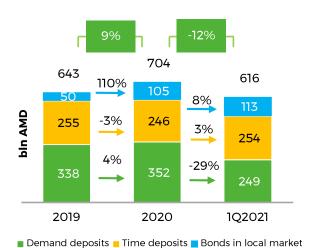
Loan portfolio breakdown



Highlights

- Increased share of retail and SME loans (50%) in line with the Bank's strategy to move to more universal banking model.
- 12% decrease of total deposits and bonds was due to outflow of several planned short-term large corporate transactions.
- Retail deposits and bonds registered 5% growth in Q1 2021.
- The Bank is the leader in the local corporate bond market with 26% market share.

Deposit & bonds



Corporate deposits & bonds



Retail deposits & bonds



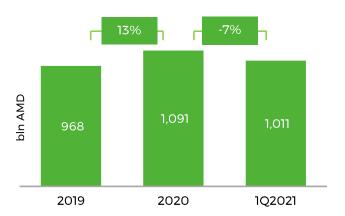
■ Demand deposits ■ Time deposits ■ Bonds in local market



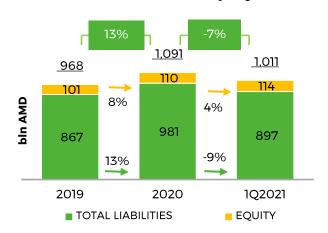


Assets & Liabilities Structure

Assets



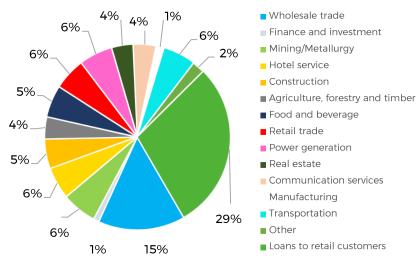
Liabilities and equity



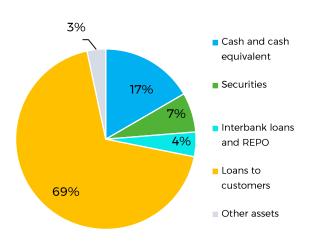
Highlights

- 7% and 9% decrease in total assets and liabilities in 1Q2021 is due to outflow of several planned short-term large corporate transactions.
- Diversified balance-sheet structure with interest earning assets to total assets at 80% and customer funds to total liabilities ratio at 69%.
- Maintaining exceptional sectorial diversification of loan portfolio, with balanced exposure to all industries.

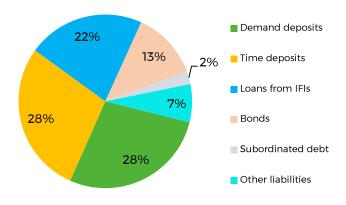
Loan portfolio structure by sector



Structure of assets



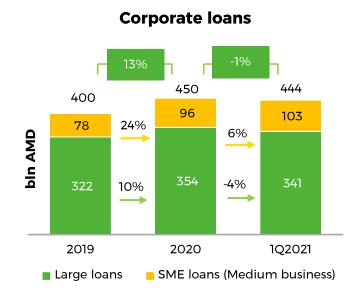
Structure of liabilities

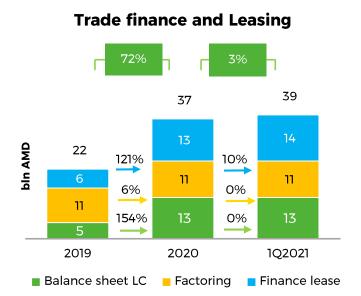


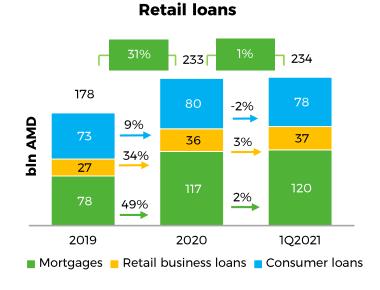




Corporate & Retail Banking







Highlights

- Corporate loans slightly decreased in Q1 2021 while SME loans increased by 6%, which is in line with the Bank's strategy to move to more universal banking model.
- Trade Finance and Leasing portfolio recorded 3% growth due to significant increase in leasing portfolio in Q1 2021.
- · Retail loan portfolio recorded 1% growth, with slight decrease only in consumer loans.



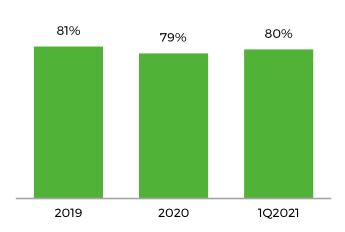




Loan Portfolio Quality



Coverage ratio (Stage 3)



Highlights

- · NPL ratio improved by 0.1pp. Previous YoY increase of risk indicators was because of proactive and conservative approach and extra provisioning considering COVID-19 related uncertainty and possible negative impact.
- In Q1 2021 cost of credit risk shows reversion to its historical mean.

4.1% 1.7%

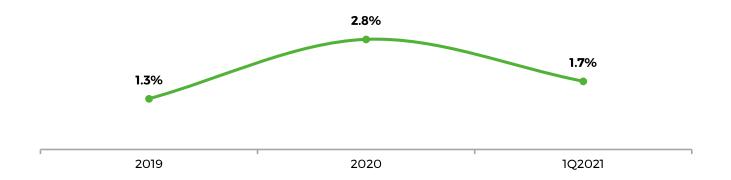
NPL

Cost of credit risk

80%

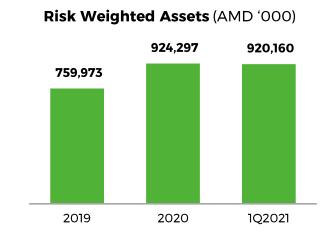
Coverage ratio



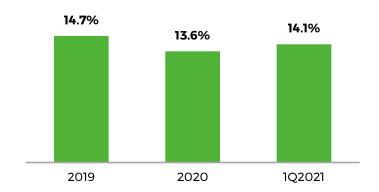


Capital





Capital Adequacy Ratios



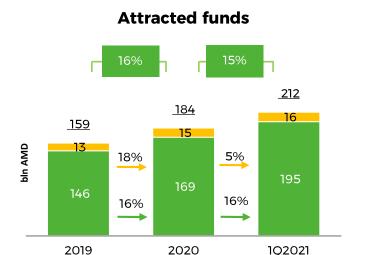
Highlights

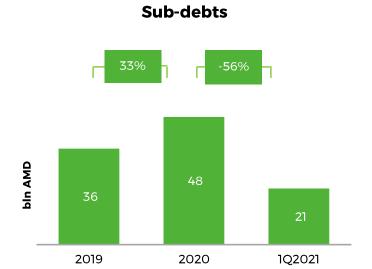
- CBA decreased Tier 1 CAR threshold from 10% to 9%.
- Additionally, Tier 2 limit was increased from 20% to 30% of Tier 1 capital.
- CBA has circulated draft amendment to harmonize regulatory requirements with that of Basel III. Subject changes may result in further easing of capital adequacy.

14.1% CAR



Funding & Liquidity



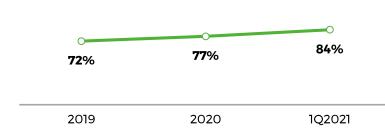


Highlights

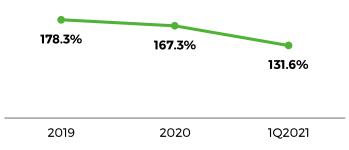
- The bank attracted USD 10M equivalent new subordinated debt in Q1 2021.
- Sub-debt portfolio decreased by 56%: USD 50M of sub-debt was fully "amortized" per CBA regulations and was no longer included in Tier 2 capital calculations.

Loans to deposits and borrowings ratio

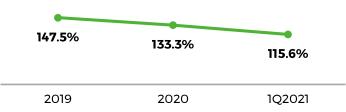
Loans from CBA



LCR (Liquidity Coverage Ratio)

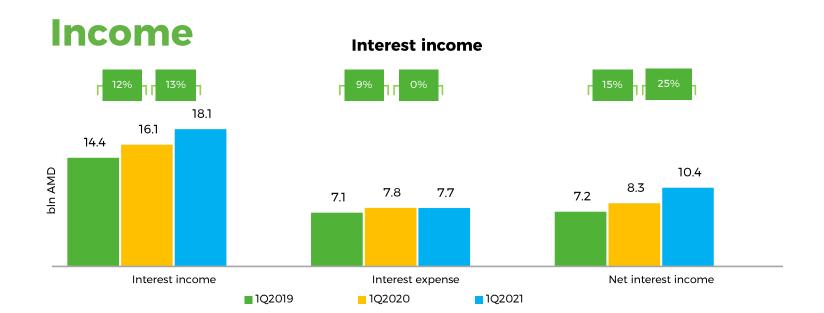


NSFR (Net Stable Funding Ratio)

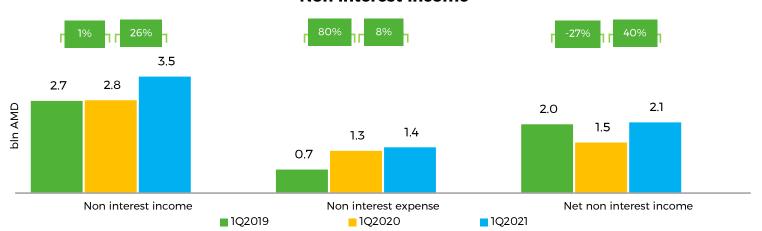




Loans from IFIs







Highlights

- Net interest income registered YoY increase of 25%, mainly due to significantly higher interest income, which is a result of loan book growth and increased share of Retail and SME loans in total portfolio.
- Net interest margin increased by 0.4pp comprising 5.3% mainly due to optimization of funding costs and increased share of Retail and SME loans in total portfolio.
- Net non interest income increased by 40% YoY mainly due to higher income from commissions, fees and derivatives gains.

NIM (Net Interest Margin)





Efficiency & Profitability

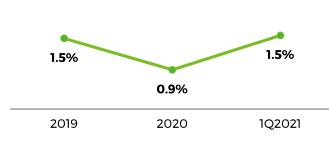
Net profit



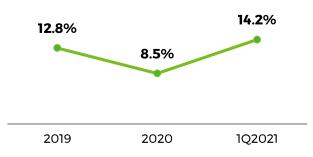
CIR (Cost to Income ratio)



ROA (Return on Assets)



ROE (Return on Equity)



Highlights

- Net profit increased by 33% YoY due to higher net interest and net non interest incomes.
- Significant increase of net profit resulted in the improvement of the key performance ratios such as ROA and ROE which recorded 0.6pp and 5.7pp increase respectively.



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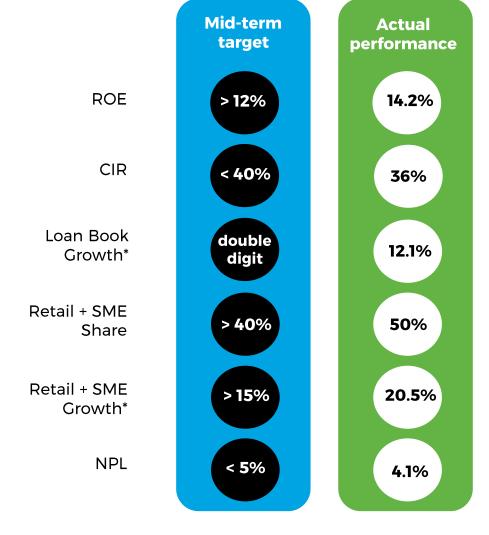


Strategic Objectives





Mid-term Targets





Omni Channel Distribution Platform with Focus on Digital

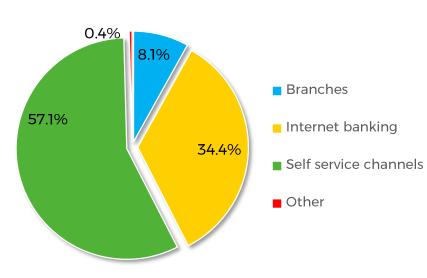
Omni-channel distribution platform, with enhanced distance banking capabilities



47% yoy Internet Banking Users



24% yoy Internet Banking Transactions





2019

2018

11% yoy
Payment Terminal Transactions

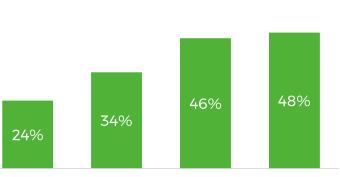
2021 Q1



77%

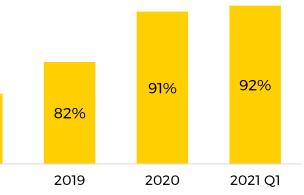
2018

55% yoy vPOS Transactions



Online banking penetration rate

Offloading ratio*





2020

Omni Channel Distribution Platform with Focus on Digital

Fully automated scoring based online loans implemented for consumer loans

Share of scoring based loans in total number of consumer loans

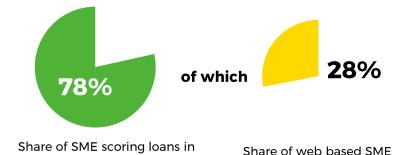
Share of web based scoring loans

total *number* of business loans

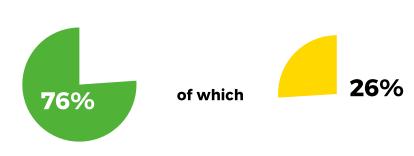
≤ AMD 10 mn



Fully automated scoring based online loans implemented for **SME loans**



scoring loans



Share of SME scoring loans in total *volume* of business loans ≤ AMD 10 mn

Share of web based SME scoring loans

Innovator & Trend Setter

Best customer experience and high satisfaction scores

Online market platforms/ecosystems

Doing business responsibly and giving back to community

Current Progress

NPS - 73% CEI* - 9.5

launching ecosystems

- car market
- mortgage market
- SME ecosystem

4234mn allocated in 2020 for CSR purposes support to refugees, infrastructure projects,

children's health care programs, community development programs

mid term targets

NPS ≥ **70**% **CEI** ≥ **9.3**

ecosystems market penetration rate

≥ 50%

best practice international ESG standards

Sustainability reporting

Green bonds issuance



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Armenia Country Overview

General

GDP: 12.6 bln (2020, current \$)

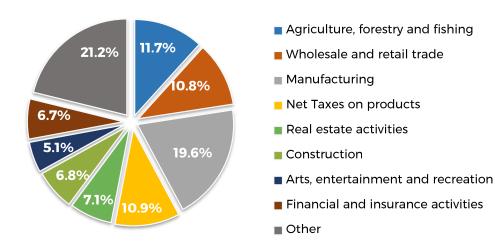
GDP per capita: 4,270 (2020, current \$)

Moody's: Ba3 (stable)

Fitch: B+ (stable)

Well Diversified Economy

GDP Structure by production*

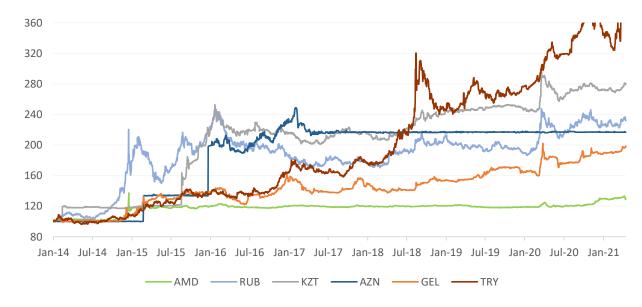


High Average GDP Growth & Low Inflation

2013-2020

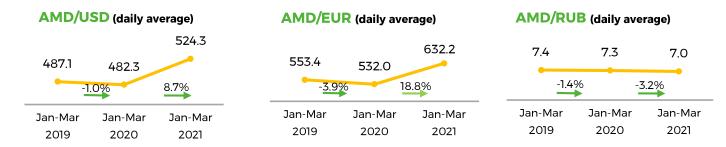


†Real GDP growth indicator of 2021 Q1 is not available yet. EAI (proxy of GDP growth) is taken.





Armenia Macro Indicators



Current account (BOP)*

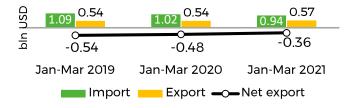


International Reserves





Import and export



Remittances***



Economic Activity Index (IEA 12m)



Highlights

- EAI (GDP growth proxy) for Q1 2021 comprised -2.0%, 6.1pp lower compared to the same period of the previous year. MoM growth comprised 9.6% in March 2021 with the highest increase registered in Construction sector (23.5%).
- 12-month cumulative CPI comprised 5.2% in Q1 2021 vs previous year's -0.1%.
- Armenian dram depreciated against US dollar by 1.6% as at end of March 2021 vs YE 2020. Still, exchange rate fluctuations have been within 1-2% range during the last 5 years with AMD being the most stable currency in the region.
- Current account deficit improved as of 2020 year-end.
- Remittances increased by 4% YoY for Q1 2021 vs the 9% drop of previous year.

Source: Statistical Committee of Armenia. Central Bank of Armenia

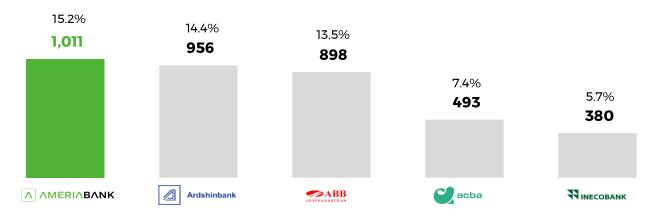
^{*}Updated information is not available yet.

^{**}Data are preliminary. The CBA closing entries are not included.

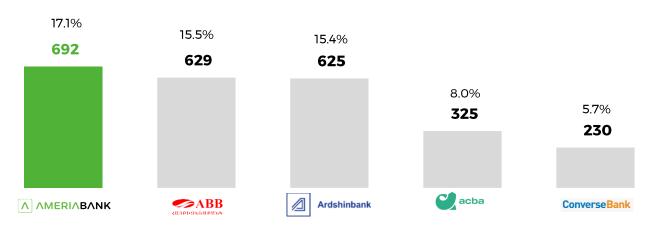
^{***}Remittances include total commercial and non-commercial transfers of physical persons through the banking system.

Armenian Banking Sector Highlights

Top 5 banks by assets (AMD B)



Top 5 banks by loans* (AMD B)



Highlights

- Banking system assets and loans totaled AMD 6,659 B and AMD 4,053 B respectively.
- A competitive market, with top five banks representing 56.1% and 61.7% of the total banking system assets and loans respectively.
- The top three banks account for 43.1% of the total assets and 48.0% of total loans



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Our Road to Success

2000-2006

Ameria became a GROUP of companies with expanded business lines: Legal and Tax Advisory, Business Advisory, Investment Banking, Asset Management

2008-2009

rebranded to Ameriabank. Unprecedented growth amid global crisis

2011-2014

Became the leading bank in RA. Strategic decision to become a universal bank, significantly increasing Retail Banking share

2017-2019

Absolute leader in RA by key financial indicators USD 30mln equity investment by ADB in early 2018** Ba3 rating with stable outlook by Moody's B+ rating with stable outlook by S&P

1998



Ameria Advisory

was founded by a group of young repatriated professionals

2007

1st bank acquisition deal in RA:

acquired shares of one of the oldest yet smallest banks in RA

2010

1st banking merger deal in RA:

Ameriabank and Cascade bank signed merger deal.

2015

USD 30mln equity investment by EBRD.* USD 50mln sub debt from IFC.*

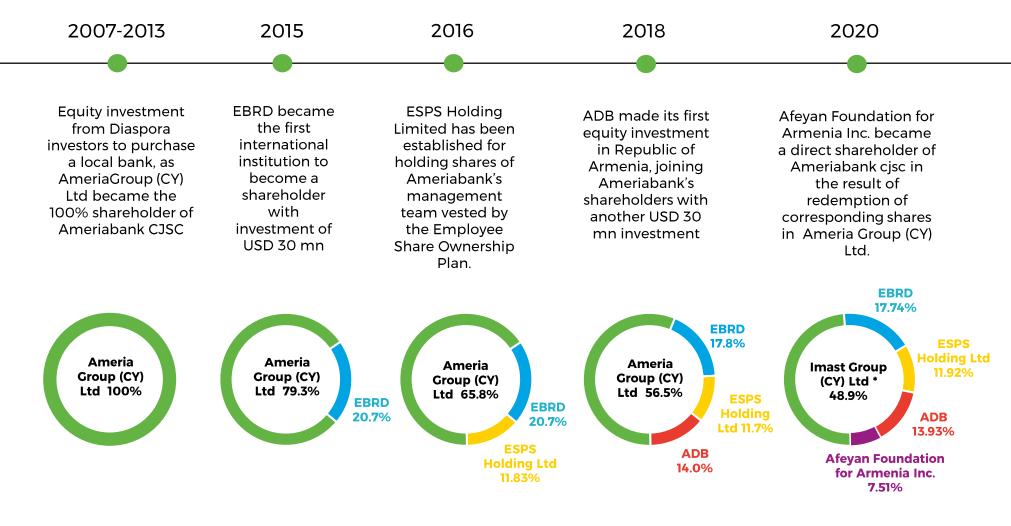
1st published international credit rating (**B+ rating** with Stable Outlook by Fitch)

2020

1st Green Bond issuer in RA: issued EUR 42 mn Green Bond **Assets exceeding AMD 1 trillion**



Our Shareholders





Recognition & Honors

for Achievements

Best Bank in Armenia

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



2021, 2020, 2017, 2016, 2015, 2014, 2013, 2012

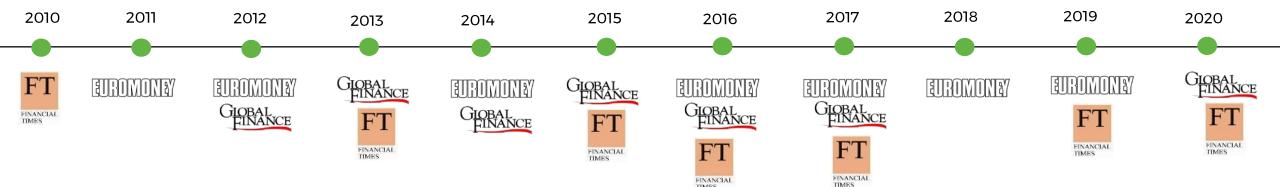


2019, 2018, 2017, 2016, 2014, 2012, 2011





2020, 2019, 2017, 2016, 2015, 2013, 2010





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Strong Team & Corporate Culture

- Unique corporate culture driven by a flat organization and a fully merit based compensation structure
- One of the most professional and talented teams in the local market
- Fully functioning Board committees as per international best practice of public companies
- Most experienced and internationally accomplished board members in the market
- Best practice corporate governance and principles



Board of Directors



Andrew Mkrtchyan Chairman of the Board

Over 25 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.



Lynch
Non-executive
Independent 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.



Robert von Rekowsky

Non-executive Independent Board Member

Around 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.



Richard P. Ogdon

Non-executive Independent Board Member

More than 30 years of experience in the financial sector, with senior positions in investment banks, asset management and advisory companies (UBS Warburg, Uralsib and other Fis), serves as the CEO of TRDATA software company.



Kakhaber Kiknavelidze

Non-executive Independent Board Member

More than 25 years of experience in commercial and investment banking, has been a long time NED and later CEO of Bank of Georgia Group, the leading financial institution in Georgia. Held executive and top managerial positions at UBS, Rioni Capital and other FIs.



Tigran
Davtyan
Non-executive
Independent Board
Member

About 30 years of experience in the financial system, with senior executive positions at the commercial banks, of which more than 8 years as CEO. Held senior positions at the Central Bank of Armenia and Eurasian Economic Commission

Board committees

	Audit Committee	Corporate Governance & Nomination Committee	Remuneration Committee	Risk Committee
Lindsay Forbes	head			member
Robert von Rekowsky		member	head	
Richard Ogdon	member			head
Kakhaber Kiknavelidze		head	member	
Tigran Davtyan	member			member
Philip Lynch		member	member	
Andrew Mkrtchyan				

Management Board



Artak Hanesyan CEO, Chairman of the Management Board

A distinguished banker with more than 25 years of experience in the banking system of Armenia. Has been the CEO of Ameriabank since 2008. Before that Mr. Hanesyan held key positions in the banking sector of Armenia, including positions of CEO and deputy CEO.



Gevorg Tarumyan Deputy CEO, CFO

Over 25 years of experience in the banking system of Armenia, including around 20 years of experience serving as CFO both in local banks and global banks represented in Armenia. Has been the CFO of Ameriabank since 2012.



Gagik Sahakyan CIB Director

Around 10 years of experience in corporate banking and around 15 years experience in management advisory. Starting his career at Ameria and leading Ameria advisory services he later moved to corporate banking and has been heading the business line since 2010.



Arman Barseghyan

Retail Banking Director

A proven career track of more than 20 years in retail banking, of which around 15 years at HSBC bank Armenia. Mr. Barseghyan joined Ameriabank as Retail Banking Director in 2012.



Armine Ghazaryan

Chief People and Services Officer

Around 20 years of experience in the banking sector of Armenia, of which around 15 years in human resources management (HRM). Mrs. Ghazaryan had been heading Ameriabank's HRM unit since 2008, prior to becoming CPSO in 2019.



Andranik Barseghyan Risk Management

Director

Around 25 years of experience in financial institutions' risk management and automation technologies. Mr. Barseghyan has been heading Ameriabank's Risk Management Center since 2009.



Gohar Khachatryan Chief Accountant

Around 30 years of experience in accounting holding key positions both at the Central Bank of Armenia and private banks, of which more than 10 years as the chief accountant of Ameriabank.

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Balance Sheet

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ITEMS	1Q2021	2020
Cash and cash equivalents	168,064,535	233,241,832
Financial instruments at fair value through profit or loss	8,810,491	9,476,566
Available-for-sale financial assets	12,113,105	11,208,001
Money market short-term disbursements	44,537,399	55,047,101
Loans and advances to customers	692,334,259	696,495,523
Held-to-maturity investments	51,135,633	51,537,293
Property, equipment and intangible assets	21,886,471	21,384,427
Other assets	11,623,102	12,250,981
Total assets	1,010,504,995	1,090,641,724
Financial liabilities at fair value through profit or loss	270,186	504,412
Liabilities to banks	75,479,190	75,851,426
Current accounts and deposits from customers	503,055,404	598,839,667
Other borrowed funds	159,975,151	128,907,362
Sub-debt Sub-debt	21,405,063	48,416,832
Other liabilities	136,514,351	128,416,423
Total liabilities	896,699,345	980,936,122
Share capital and premium	54,560,661	54,452,244
Revaluation Reserve	58,447	32,878
Retained earnings	59,186,542	55,220,480
Equity	113,805,650	109,705,602



Profit & loss

thous	AMD
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ITEMS	1Q2021	1Q2020	
Net interest income	10,407,821	8,348,921	
Net fee and commission income	1,163,427	77 5,230	
Net profit/loss from trading operations	1,469,317	1,130,506	
Other operating income (expenses)	(524,917)	(401,650)	
Operating income	12,515,648	9,853,008	
Impairment losses	(3,083,769)	(2,725,585)	
Personnel expenses	(2,908,162)	(1,768,381)	
Total administrative expenses	(1,597,487)	(1,684,966)	
Profit/ (loss) before tax	4,926,229	3,674,075	
Profit tax	(960,167)	(691,377)	
Net profit/ (loss)	3,966,062	2,982,698	



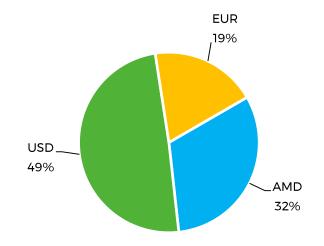
CBA prudential standards

ITEMS	2019	2020	1Q2021 C	BA requirement	Violations
Minimum statutory fund (in '000 AMD)	37,347,200	37,386,880	37,426,880	50,000	No violation
Minimum total capital (in '000 AMD)	115,150,056	129,123,968	134,437,187	30,000,000	No violation
S12_Total capital to risk weighted assets	0	0	0	0	No violation
S21_High liquid assets / Total assets	0	0	0	0	No violation
S211_High liquid assets of first group of currency / Total assets of first group of currency	0	0	0	0	No violation
S22_High liquid assets/ Demand liabilities	1	1	1	1	No violation
S221_ High liquid assets of first group of currency / Demand liabilities of first group of currency	1	1	1	0	No violation
S31_Maximum risk on a single borrower	0	0	0	0	No violation
S32_Maximum risk on large-scale borrowers	2	2	2	5	No violation
S41_Maximum risk on bank related person	0	0	0	О	No violation
S42_Maximum risk on all bank related persons	0	0	0	0	No violation
Minimum requirement for obligatory reserves allocated with RA CBA: AMD Currency	Х	Х	X	2% 18%	No violation
Maximum risk of currency position / Total capital of the bank	0.1%	0%	0%	10%	No violation
Maximum risk of separate currency positions / Total capital of the bank: USD EUR RUB other	-2.51% -1.07% 0.04% X	-3.84% -1.06% 0.00% X	-3.08% -1.17% -0.03% X	7%	No violation

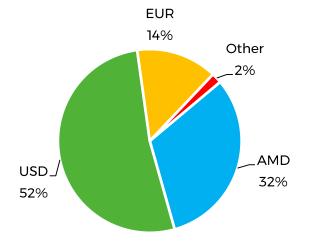


FX Exposure

Currency structure of loan portfolio

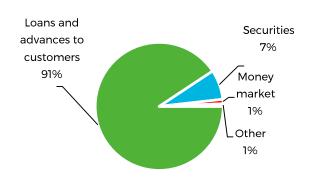


Currency structure of deposits

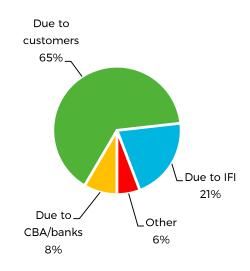


Income Structure

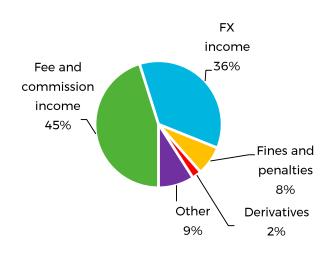
Interest income structure



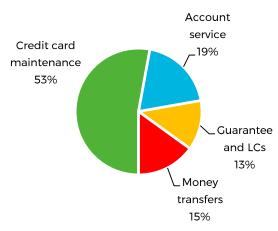
Interest expense structure



Non Interest Income structure



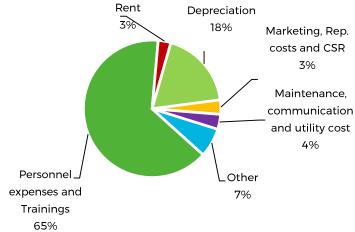
Net fee and commission income structure



P&L Structure

Profit & loss Net profit margin **Admin expenses** EBT margin 2.95 0.58 5.66 0.83 9.43 0.96 3.5 4.93 3.97 3.15 OP OP Other Total OP EBT NET Mark & Dep & Taxes 1Q2019 1Q2020 1Q2021 CIB RB TD PROFIT amor

Structure of admin expenses



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