



Investor Presentation

June 30, 2021



■ **Ameriabank at a Glance**

2021 Q2 Snapshot

2021 Q2 Financial Results

Strategy Highlights

Appendices

Investment Highlights

1

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*

3

Innovator and Trend Setter

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.

4

Best in class Governance Practices

Best practice corporate governance and unique culture, professional and experienced management team

5

Robustness and Resilience with Significant Growth Potential

Sustaining decent performance during challenging times, post-pandemic accelerated growth and enhanced profitability

6

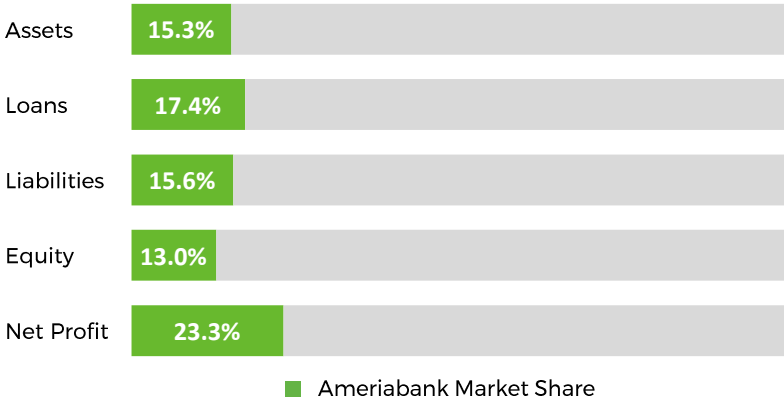
Attractive Macro Fundamentals

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, equity and net profit
- 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.



21
branches



1,129
employees



largest ATM
network in
the capital



largest network of
vPOS terminals in
the country



one of the largest
networks of POS
terminals in the country

Ratings

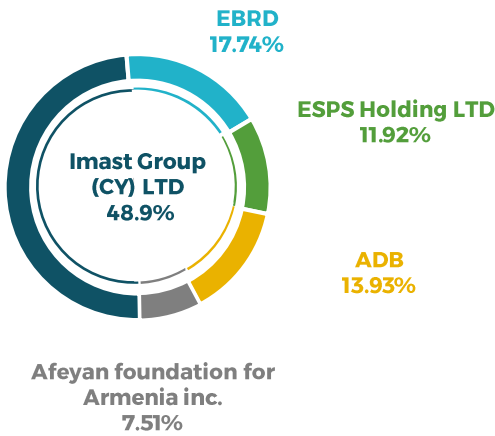
S&P

| | |
|------------|--------|
| Long-Term | B+ |
| Short-Term | B |
| Outlook | Stable |
| SACP | bb- |

Moody's

| | |
|---------------|----------------|
| Bank deposits | Ba3/NP |
| BCA | b1 |
| CRA | Ba3(cr)/NP(cr) |
| Outlook | Stable |

Ownership Structure



Ameriabank at a Glance

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2021 Q2 Achievements

**leader per
2021 Q2 results**

1st **1,034 B**
Assets of AMD

1st **915 B**
Liabilities of AMD

1st **681 B**
Loans* of AMD

1st **119 B**
Equity of AMD

1st **9.5 B**
Profit of AMD

- Ameriabank receives Euromoney Award for Excellence 2021 as the Best Bank in Armenia.
- Moody's affirms Ba3 long-term local and foreign currency deposit ratings of Ameriabank, revising the outlook to Stable.
- S&P affirms 'B+/B' long- and short-term issuer credit rating of Ameriabank, revising the outlook to stable.
- The offloading ratio reached 92% with online banking penetration rate at 50%.

EUROMONEY

MOODY'S



Ameriabank at a Glance

2021 Q2 Snapshot

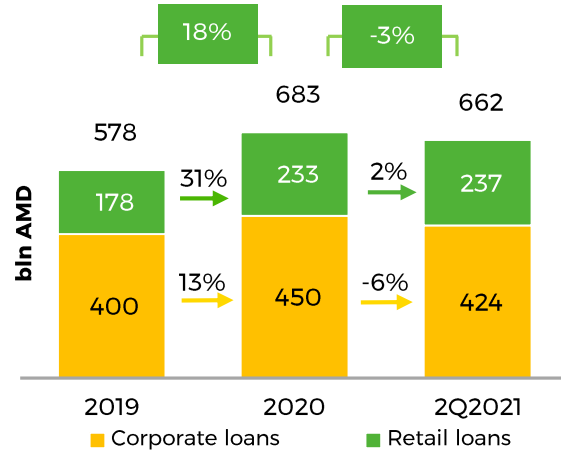
■ **2021 Q2 Financial Results**

Strategy Highlights

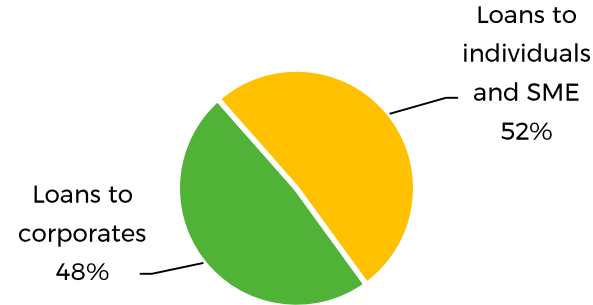
Appendices

Core Business

Loan portfolio



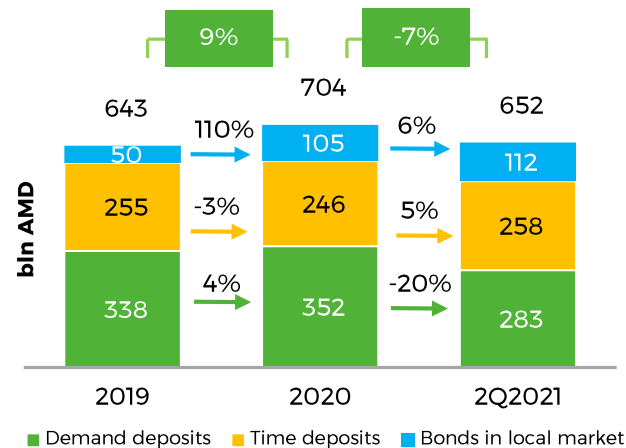
Loan portfolio breakdown



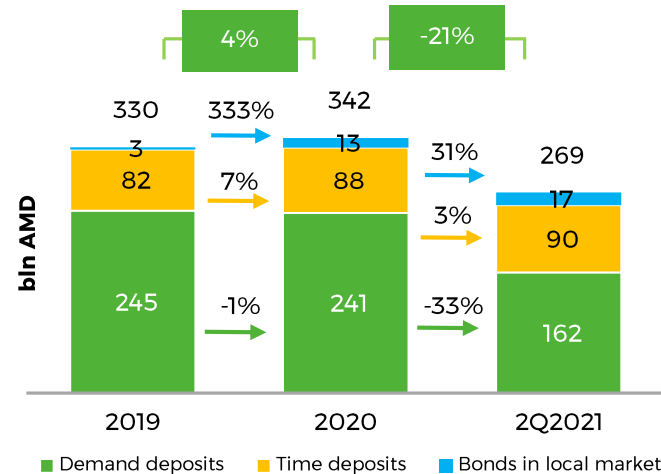
Highlights

- Increased share of retail and SME loans (52%) in line with the Bank's strategy to move to more universal banking model.
- Slight reduction of loan portfolio was mainly due to local currency appreciation in Q2 2021 and repayment of a few short-term corporate loans.
- 7% decrease of total deposits and bonds was due to outflow of planned short-term large corporate transactions, while Retail deposits continued steady growth.
- The Bank is the leader in the local corporate bond market with 28.6% market share.

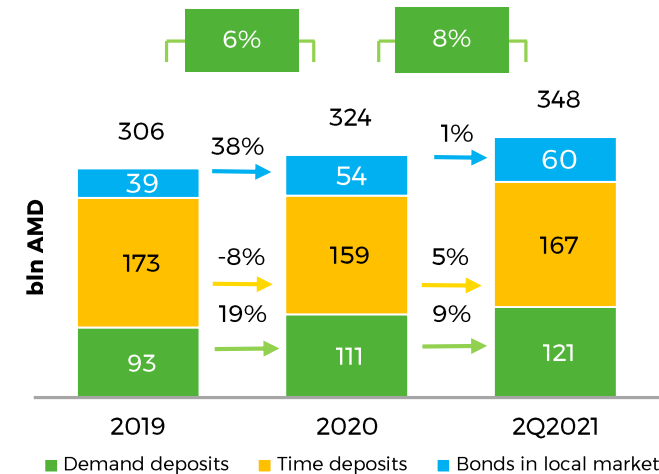
Deposit & bonds



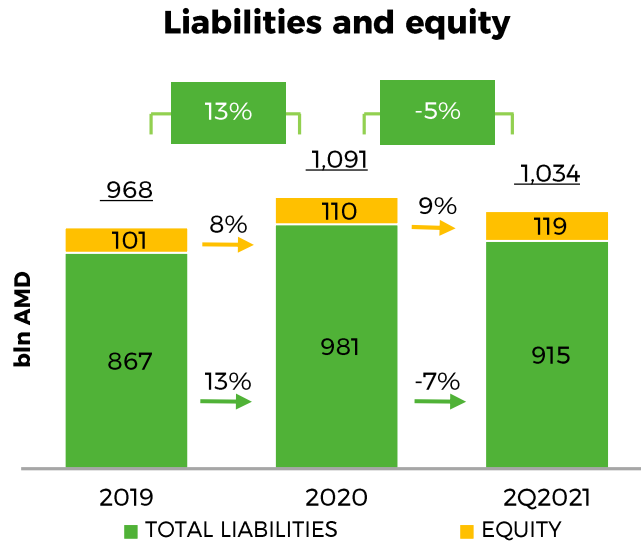
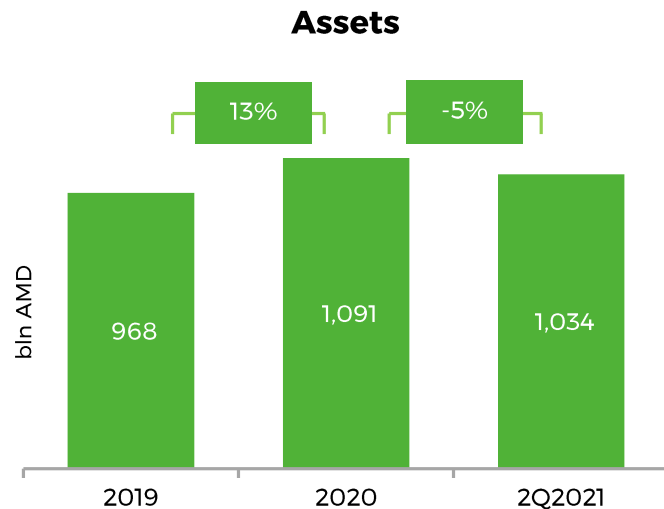
Corporate deposits & bonds



Retail deposits & bonds



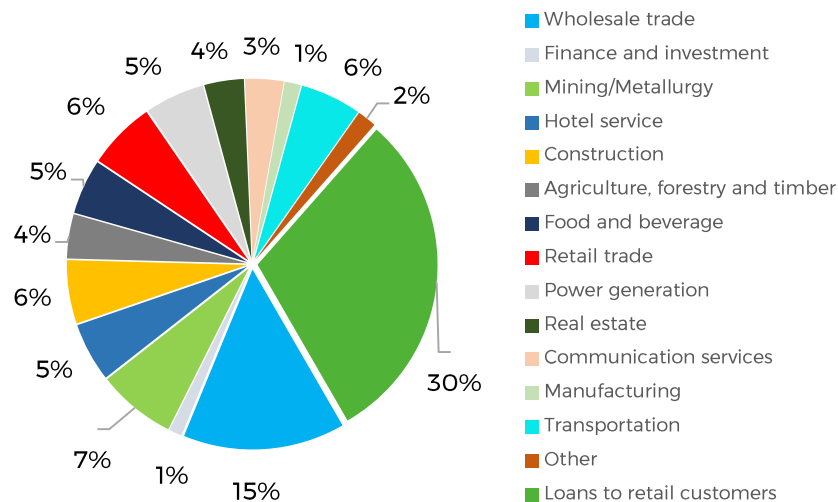
Assets & Liabilities Structure



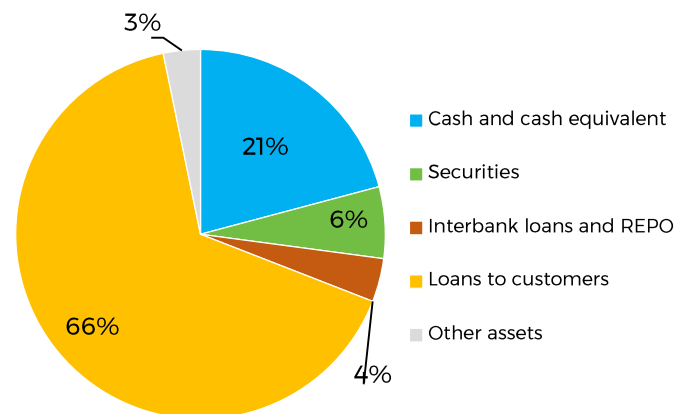
Highlights

- 5% and 7% decrease in total assets and liabilities in 2Q2021 vs YE2020 is due to outflow of planned short-term large corporate transactions.
- Diversified balance-sheet structure with interest earning assets to total assets at 76% and customer funds to total liabilities ratio at 71%.
- Maintaining exceptional sectorial diversification of loan portfolio, with balanced exposure to all industries.

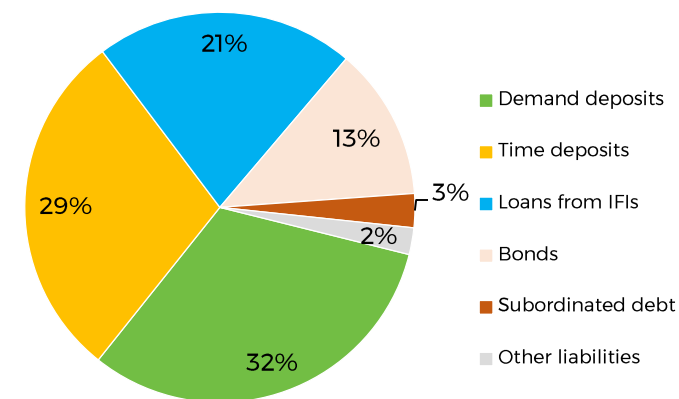
Loan portfolio structure by sector



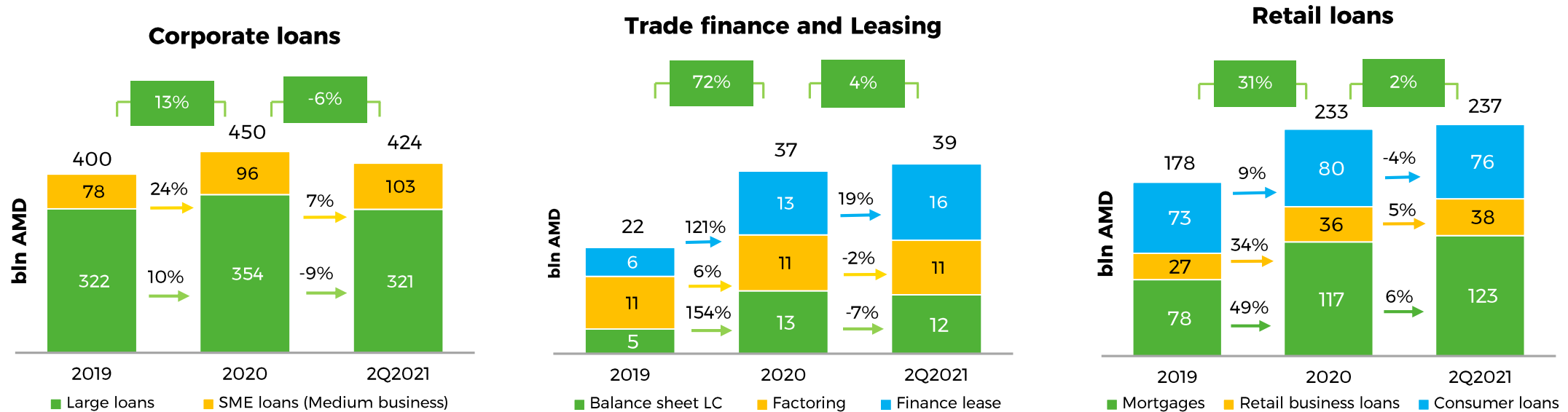
Structure of assets



Structure of liabilities



Corporate & Retail Banking



Highlights

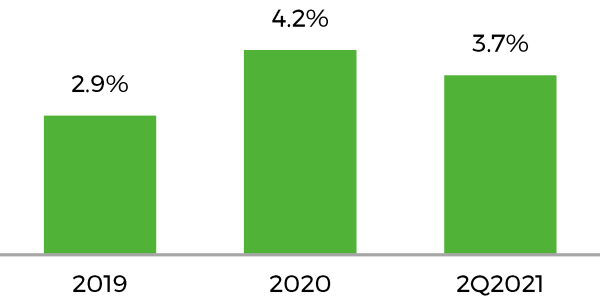
- Corporate loans decreased 6% vs YE 2020 mainly due to local currency appreciation in Q2 2021 and repayment of a few short-term corporate loans. Meanwhile SME corporate loans portfolio increased by 7%, which is in line with the Bank's strategy of universal banking model.
- Trade Finance and Leasing portfolio recorded 4% growth due to significant increase in leasing portfolio in the first half of 2021.
- Retail loan portfolio recorded 2% growth comparing with YE 2020, with slight decrease only in consumer loans. Slower consumer lending is due to seasonality and tighter loan underwriting model applied in the Bank.

AMD 424_b
corporate loans

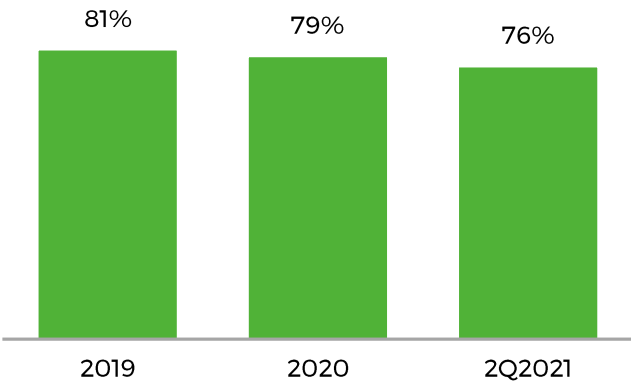
AMD 237_b
retail loans

Loan Portfolio Quality

NPL (Stage 3)



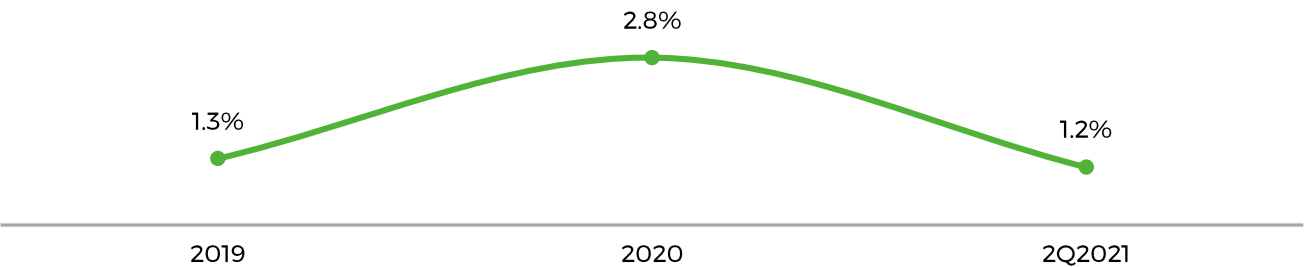
Coverage ratio (Stage 3)



Highlights

- NPL ratio improved by 0.5pp. 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.
- Cost of credit risk reversed to historical mean, mainly due to improvement of retail loans cost of credit risk.

Cost of credit risk



3.7%

NPL

1.2%

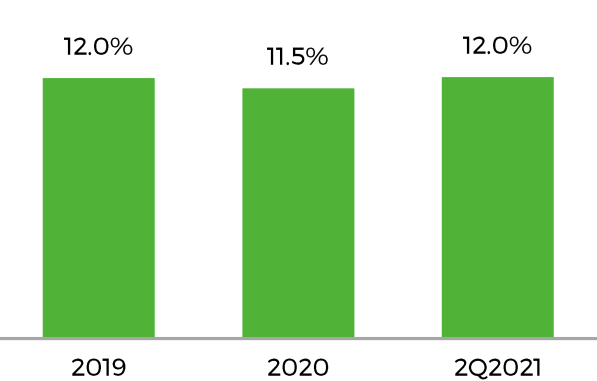
Cost of credit risk

76%

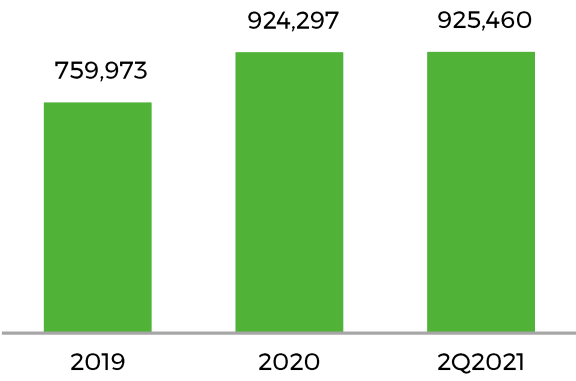
Coverage ratio

Capital

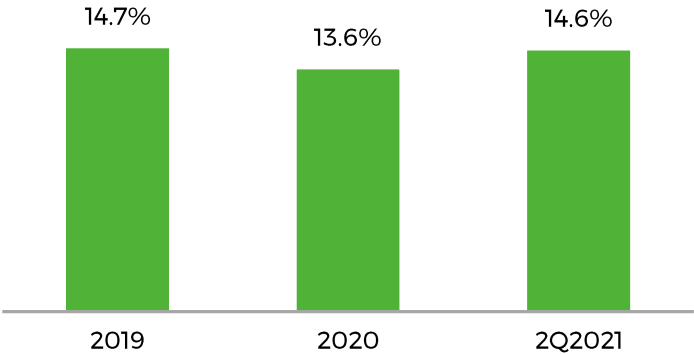
Tier 1 Ratio



Risk Weighted Assets (AMD '000)



Capital Adequacy Ratios



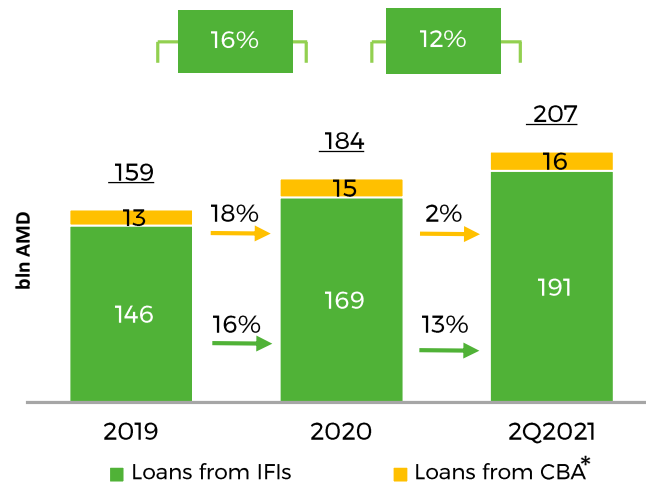
Highlights

- CBA has decreased Tier 1 CAR threshold from 10% to 9%.
- Additionally, Tier 2 limit has been 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 further easing of capital adequacy.

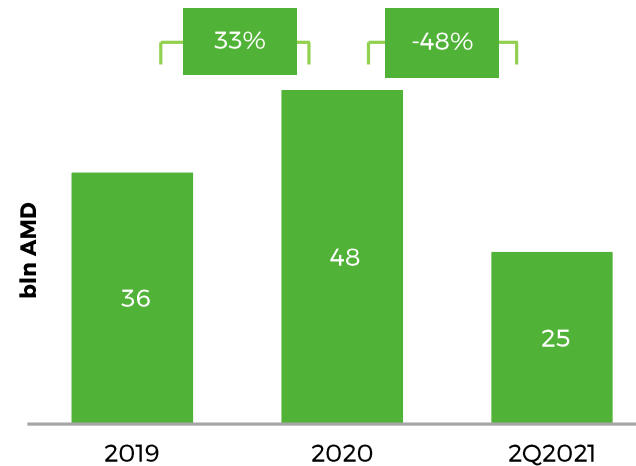
14.6%
CAR

Funding & Liquidity

Attracted funds



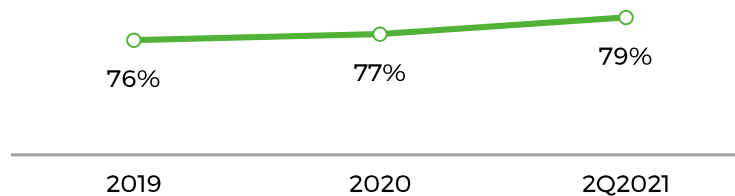
Sub-debts



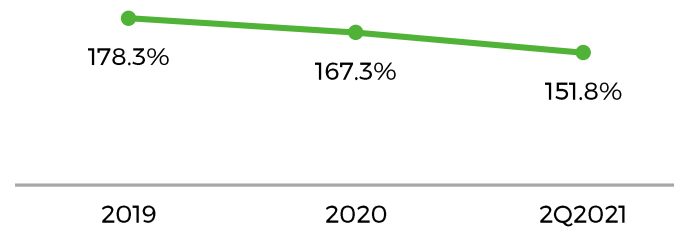
Highlights

- The bank attracted USD 10M equivalent new subordinated debt in Q1 2021 and about USD 23EUR senior debt in Q2 2021.
- Sub-debt portfolio decreased by 48%: USD 50M of sub-debt was fully “amortized” per CBA regulations and was no longer included in Tier 2 capital calculations..
- Liquidity ratios (LCR & NSFR) are well above the required thresholds (100%).

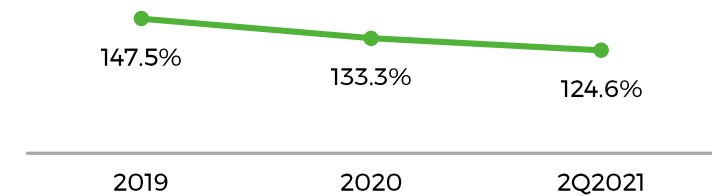
Loans to deposits and borrowings ratio



LCR (Liquidity Coverage Ratio)

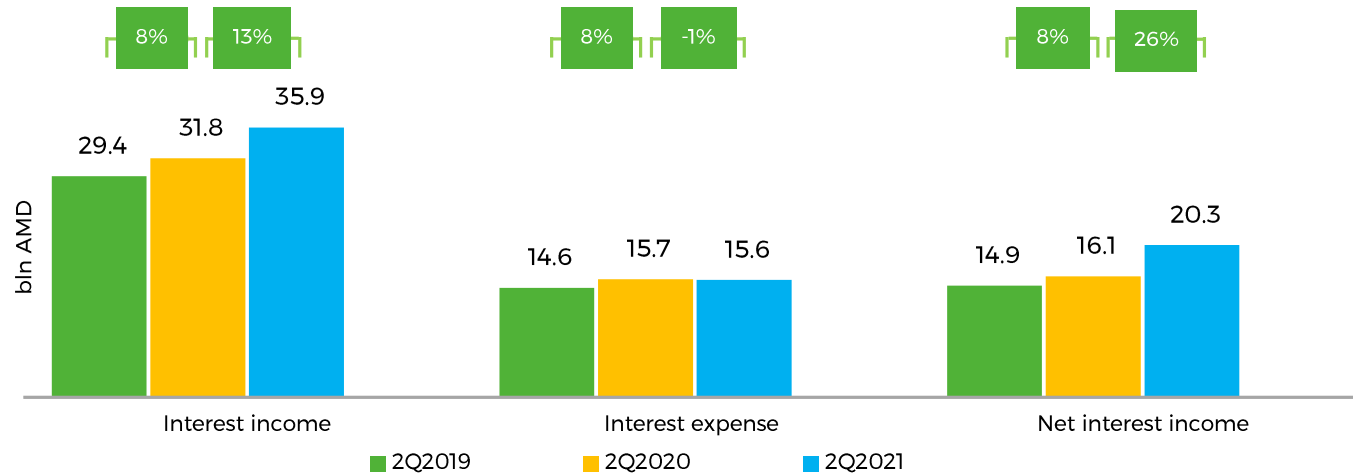


NSFR (Net Stable Funding Ratio)

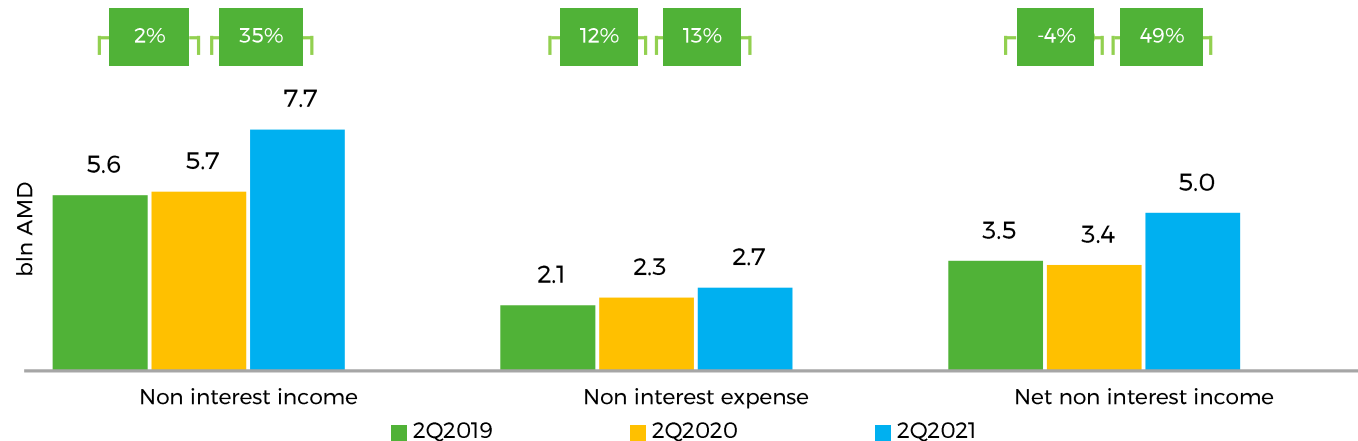


Income

Interest income



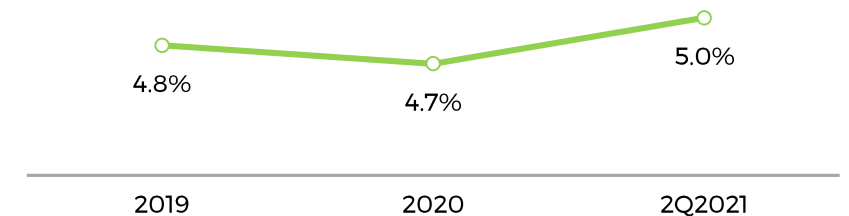
Non interest income



Highlights

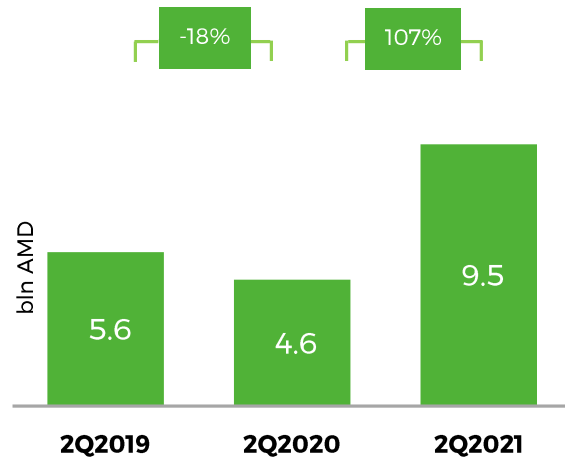
- Net interest income registered YoY increase of 26%, mainly due to significantly higher interest income, which is a result of average loan book double digit growth and increased share of Retail and SME loans in total portfolio.
- Net interest margin increased by 0.3pp comprising 5.0% mainly due to optimization of funding costs and increased share of Retail and SME loans in total portfolio.
- Net non interest income increased by 49% YoY mainly as a result of higher income from commissions, FX income and derivatives gains.

NIM (Net Interest Margin)

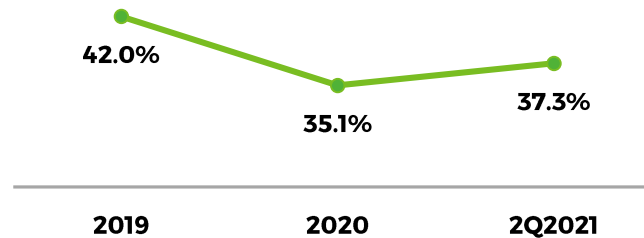


Efficiency & Profitability

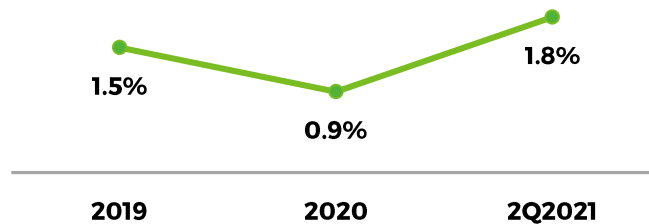
Net profit



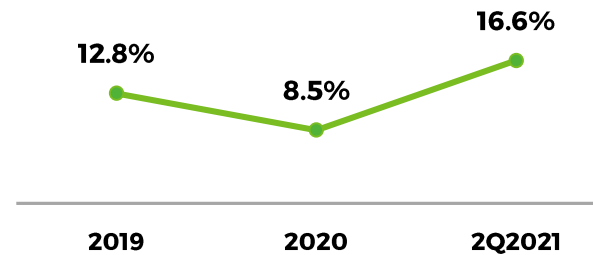
CIR (Cost to Income ratio)



ROA (Return on Assets)



ROE (Return on Equity)



Highlights

- Net profit increased by 107% YoY due to higher net interest and net non interest incomes. Relatively low profit of last year was mainly due to conservative approach and extra provisioning.
- Significant increase of net profit resulted in the improvement of the key performance ratios such as ROA and ROE which recorded 0.9pp and 8.1pp increase respectively.

Ameriabank at a Glance

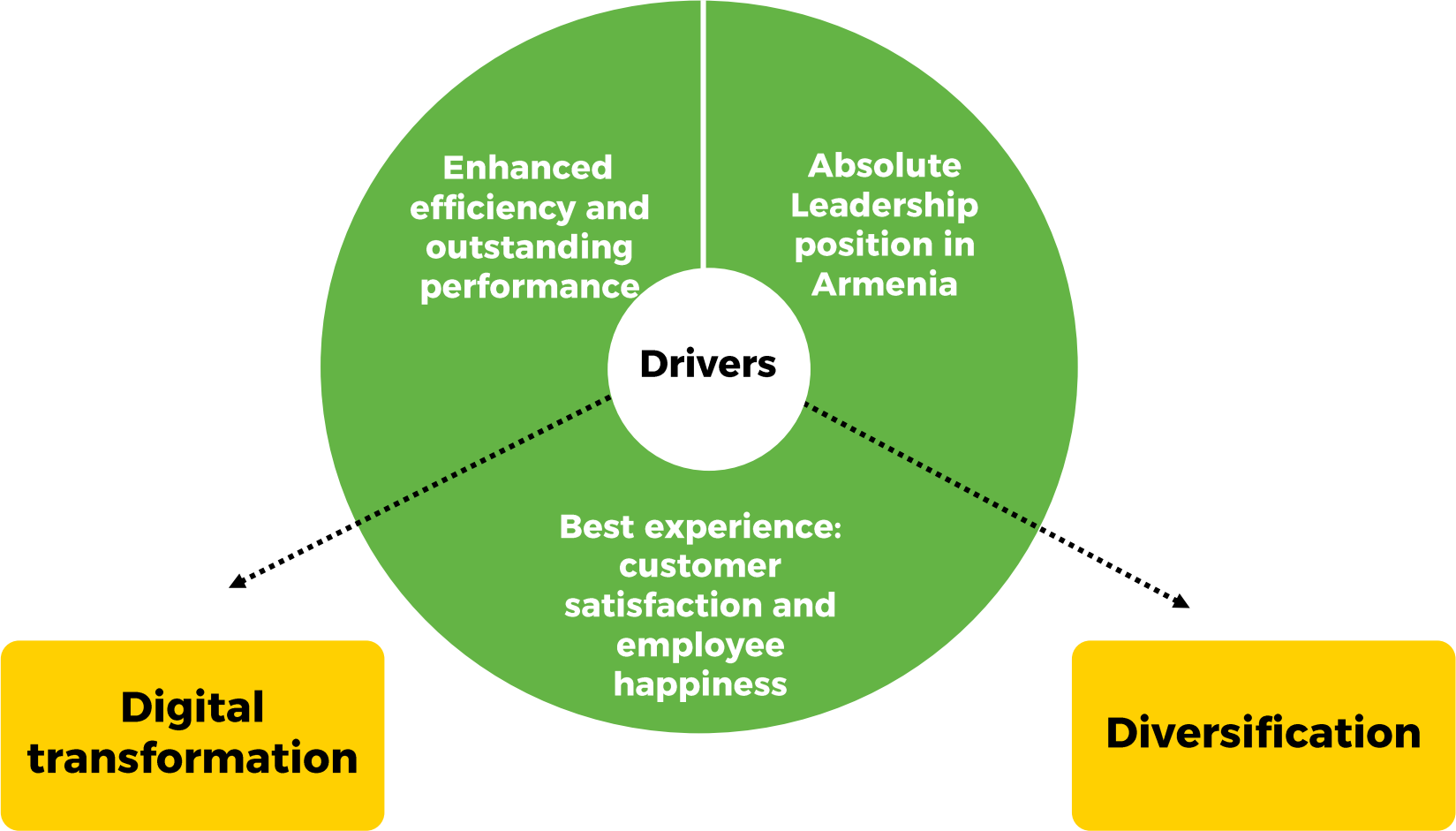
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■ **Strategy Highlights**

Appendices

Strategic Objectives



Mid-term Targets

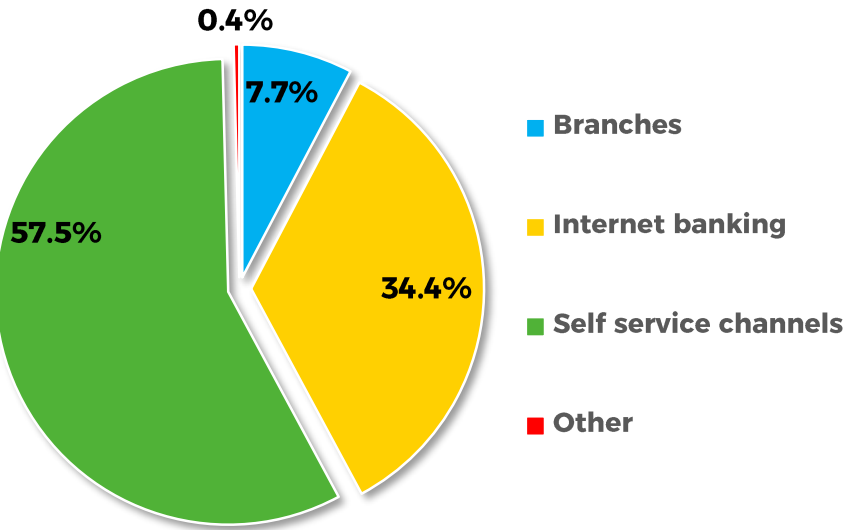
| | Mid-term target | Actual performance |
|----------------------|-----------------|--------------------|
| ROE | > 12% | 16.6% |
| CIR | < 40% | 37.3% |
| Loan Book Growth* | double digit | 13.2% |
| Retail + SME Share | > 40% | 52% |
| Retail + SME Growth* | > 15% | 28.7% |
| NPL | < 5% | 3.7% |

*YoY growth rates

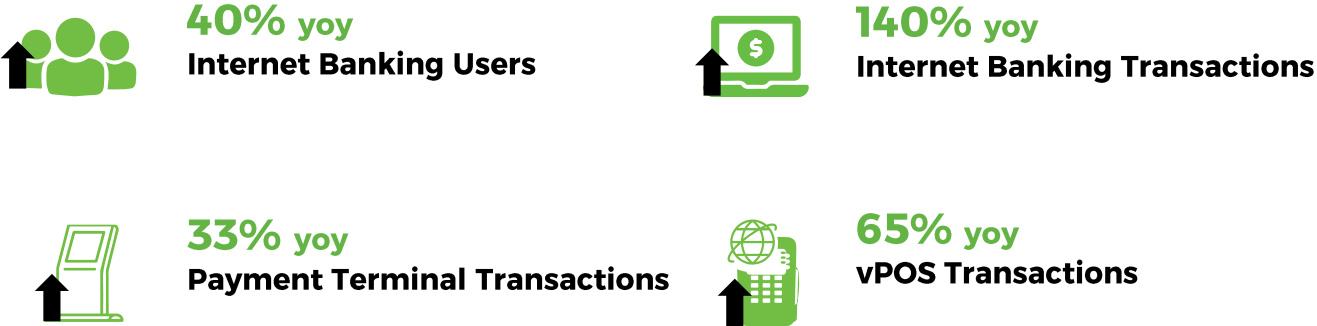
Omni Channel Distribution Platform

with Focus on Digital

Omni-channel distribution platform, with enhanced distance banking capabilities

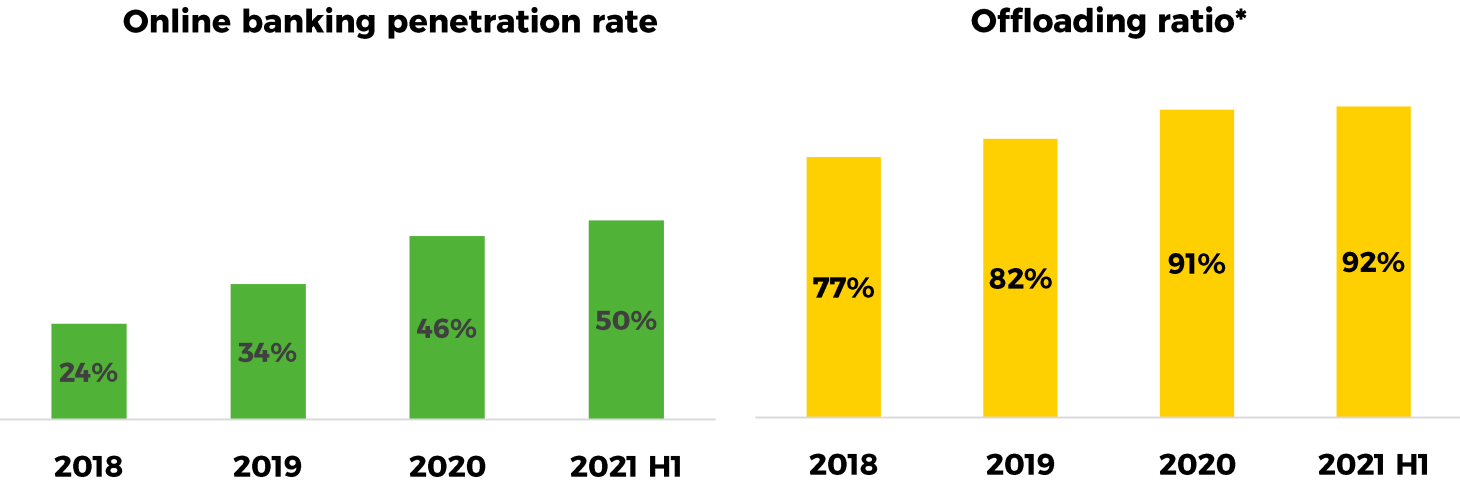


Data are for the first half of 2021



Online banking penetration rate

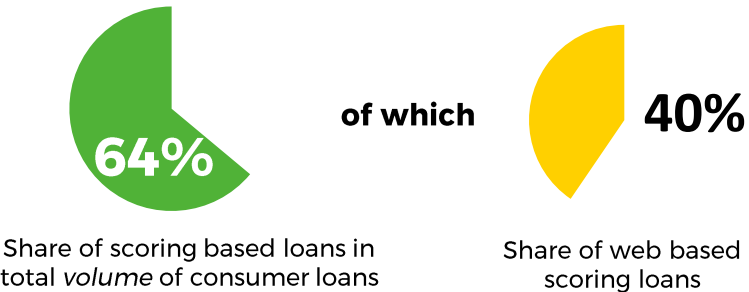
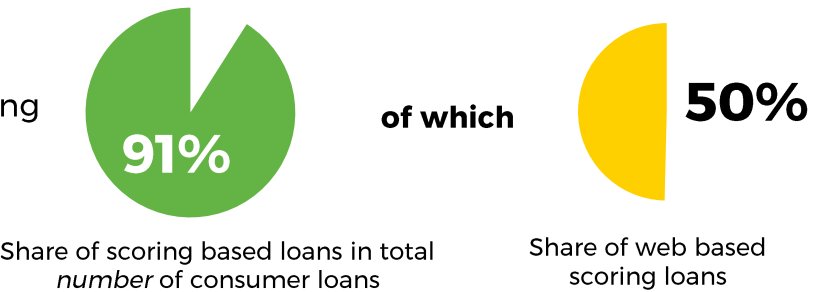
Offloading ratio*



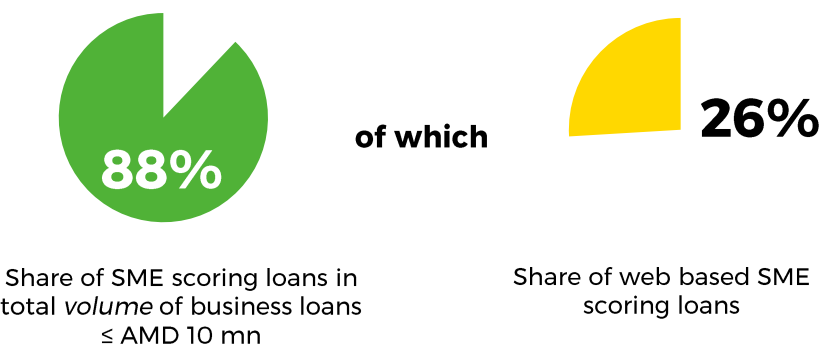
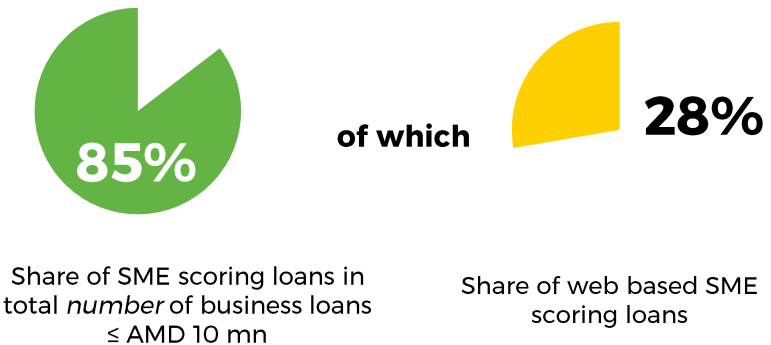
* Share of transactions performed via distance and digital channels in total number of bank's transactions.

Omni Channel Distribution Platform with Focus on Digital

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



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



Innovator & Trend Setter

| | Current Progress | mid term targets |
|---|--|--|
| Best customer experience and high satisfaction scores | NPS - 73.4% CEI* - 9.6 | NPS ≥ 70% CEI ≥ 9.3 |
| Online market platforms/ecosystems | launching ecosystems <ul style="list-style-type: none">• car market• mortgage market• SME ecosystem | ecosystems market penetration rate ≥ 50% |
| Doing business responsibly and giving back to community | €234mn allocated in 2020 for CSR purposes support to refugees, infrastructure projects, children's health care programs, community development programs €42mn Green bonds issued | best practice international ESG standards Sustainability reporting Green bonds issuance |

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Appendices: External Environment

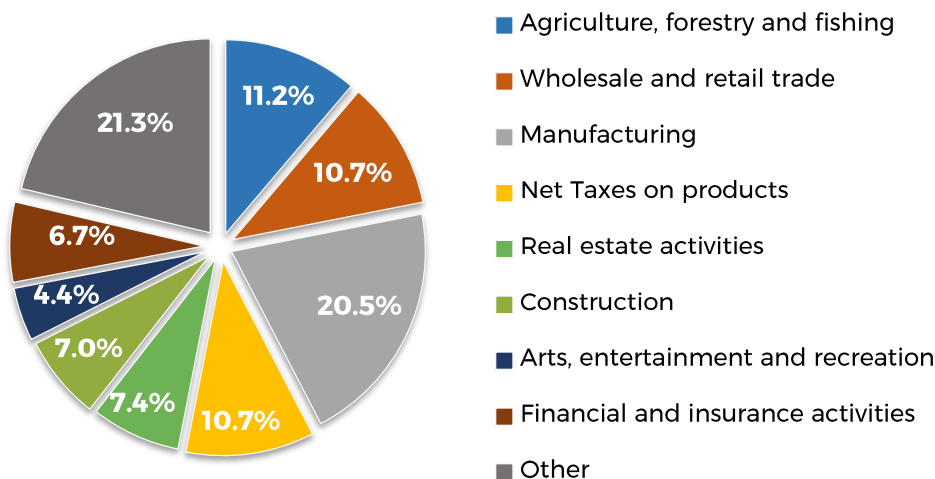
Armenia Country Overview

General

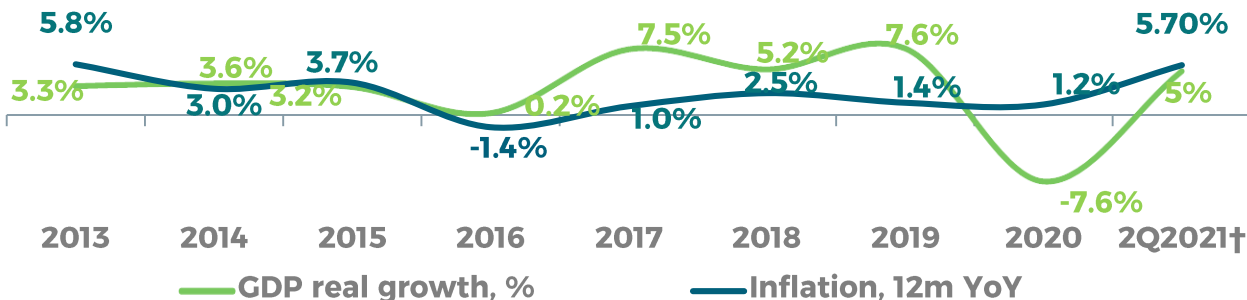
GDP: 12.6 bln (2020, current \$)
 GDP per capita: 4,27 (2020, current \$)
 Moody's: Ba3 (stable)
 Fitch: B+ (stable)

Well Diversified Economy

GDP Structure by production*



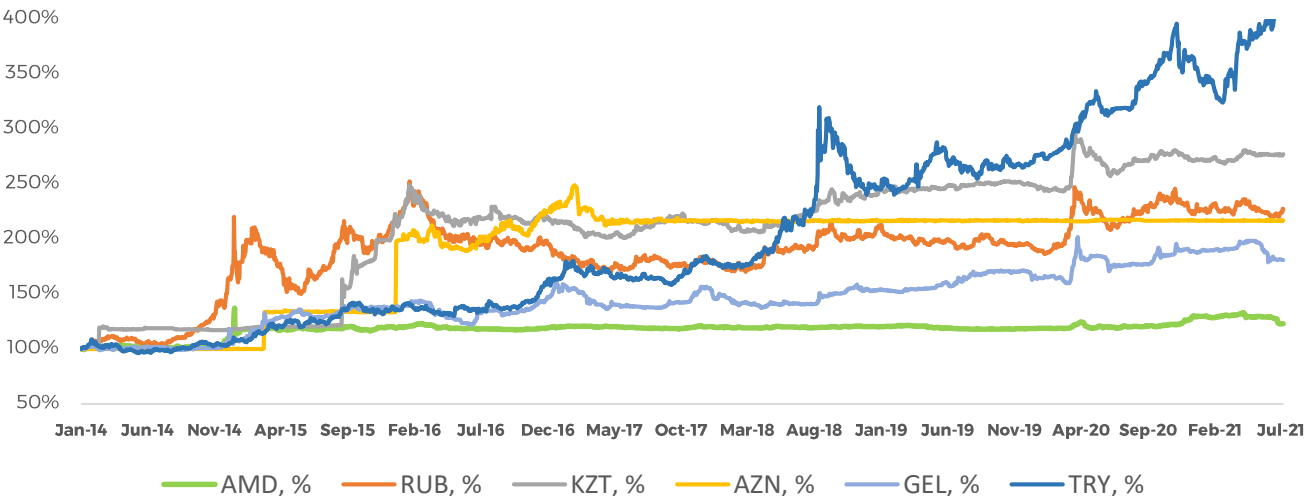
High Average GDP Growth & Low Inflation



†Real GDP growth indicator of 2Q2020 is not available yet. EAI (proxy of GDP growth) is used.

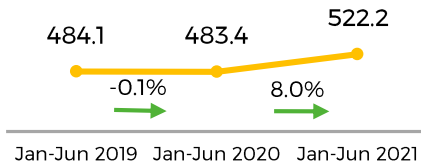
Most Stable Currency in the Region

(regional currencies vs USD FX rate dynamics)**

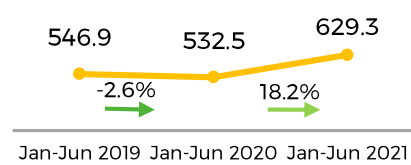


Armenia Macro Indicators

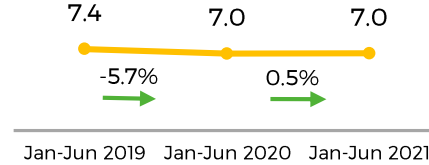
AMD/USD (daily average)



AMD/EUR (daily average)



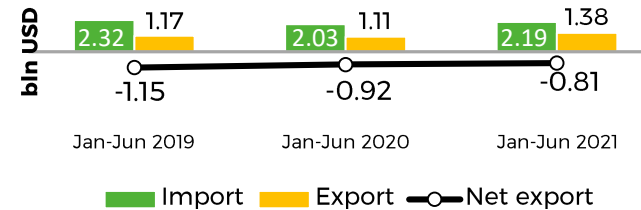
AMD/RUB (daily average)



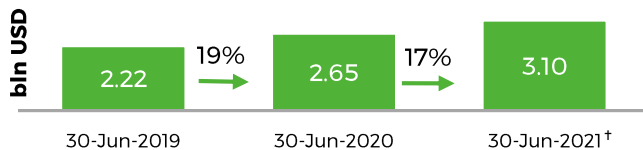
Current account (BOP)*



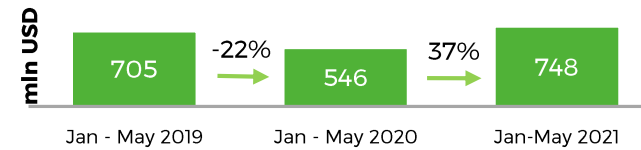
Import and export



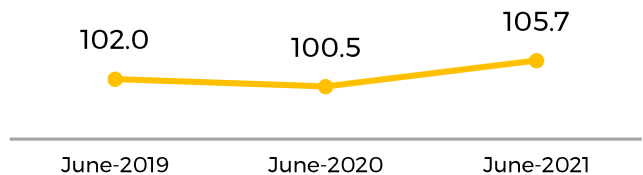
International Reserves



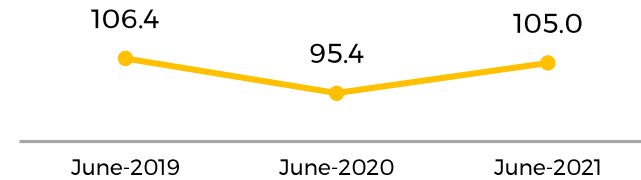
Remittances**



CPI (12m)



Economic Activity Index (IEA 12m)



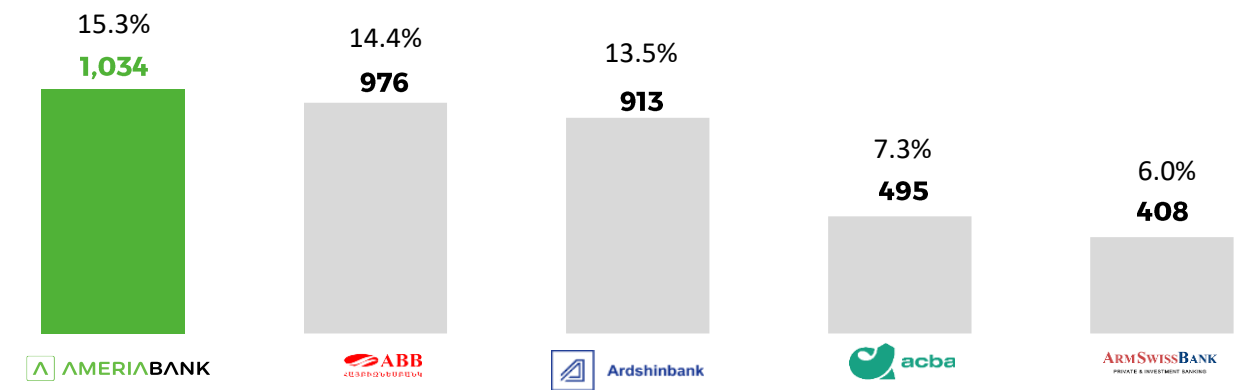
Highlights

- EAI (GDP growth proxy) for 1H2021 comprised 5.0%, 9.6pp higher compared to the same period of the previous year.
- GDP growth forecasts for Armenia were revised up by WB, EBRD, EDB and CBA to 3.4%, 4.0%, 4.2% and 4.6% respectively.
- 12-month cumulative CPI reached 5.7% in June-2021 vs previous year's 0.5%. CBA expects 12-month inflation to revert to the target range of 4% +/-1.5% after some acceleration in the short run.
- Armenian dram depreciated by 8.0% against US dollar over 1H2021 vs 1H 2020 (appreciated by 0.8% over 2Q2021 vs 1Q2021). Still, AMD has been the most stable currency in the region during the last 5 years.
- Current account deficit improved as of 1Q2021 vs the same period of previous year.
- Remittances increased by 37% YoY for 1H2021 vs the 22% drop of previous year.

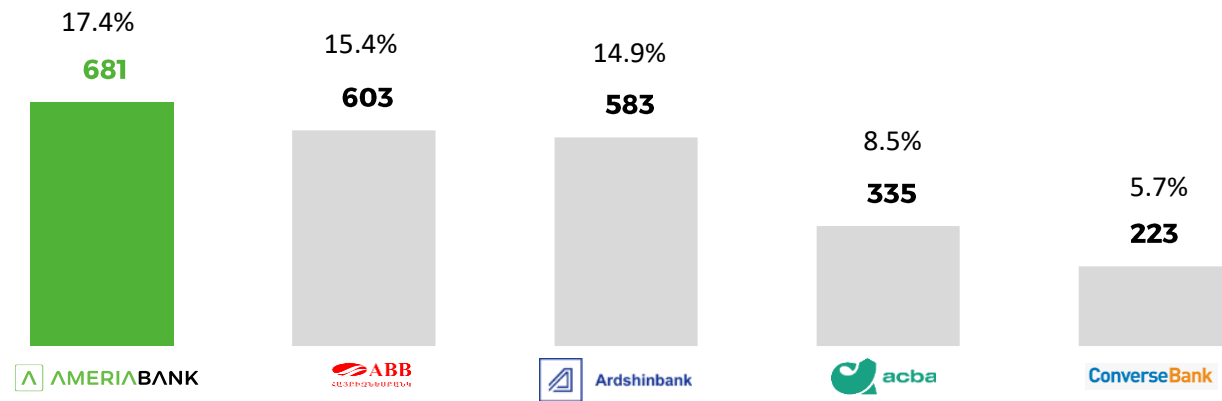
Source: Statistical Committee of Armenia, Central Bank of Armenia

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 6,772 B and AMD 3,922 B respectively.
- A competitive market, with top five banks representing 56.5% and 61.9% of the total banking system assets and loans respectively.
- The top three banks account for 43.2% of the total assets and 47.7% of total loans.

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 **Appendices: Historic Milestone**

Our Road to Success

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

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

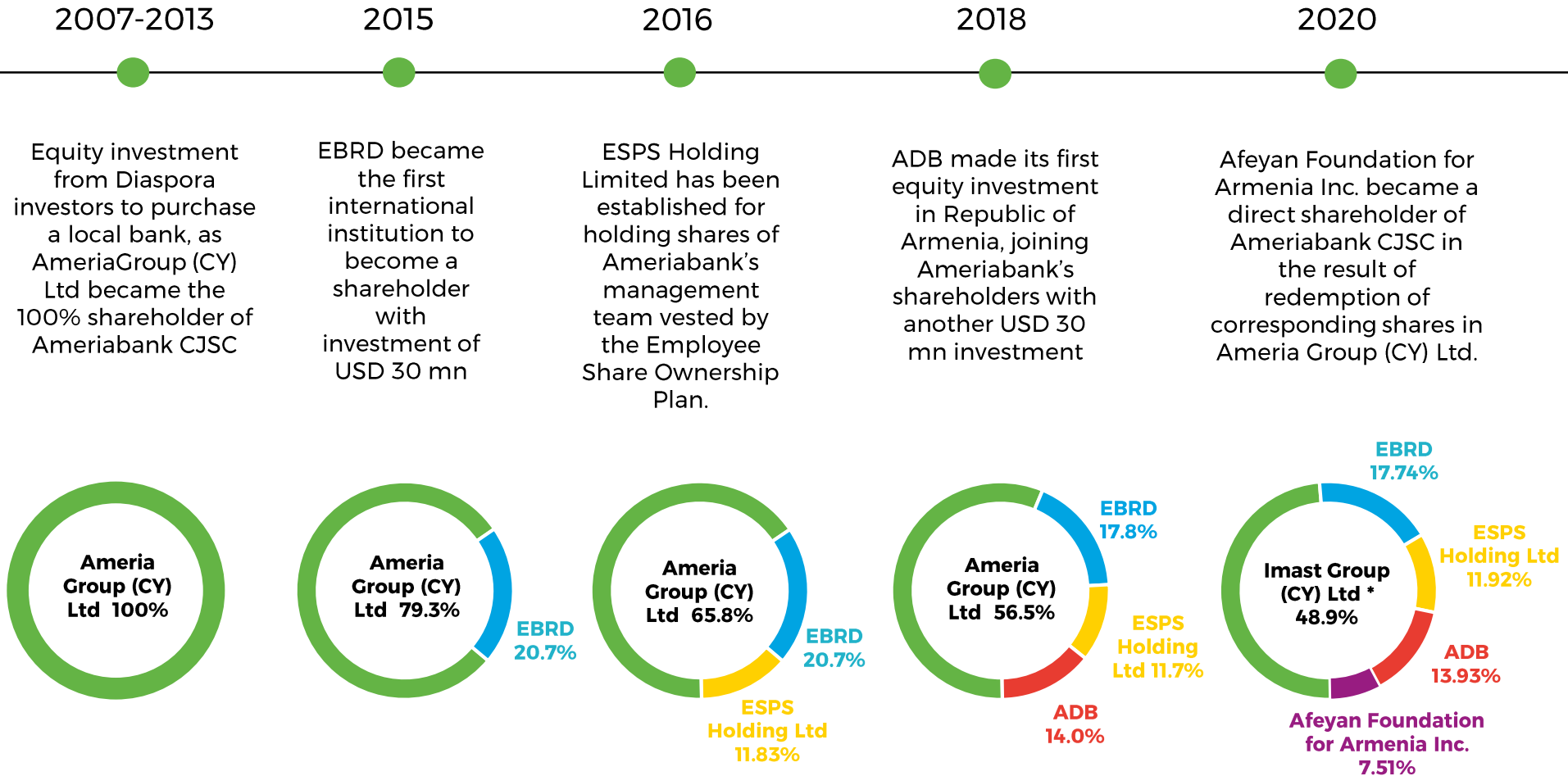
2011-2014
Became **the leading bank in RA.**
Strategic decision to become a universal bank, significantly increasing Retail Banking share

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

* The largest deal with a FI in Armenia

** the first equity investment of ADB in Armenia

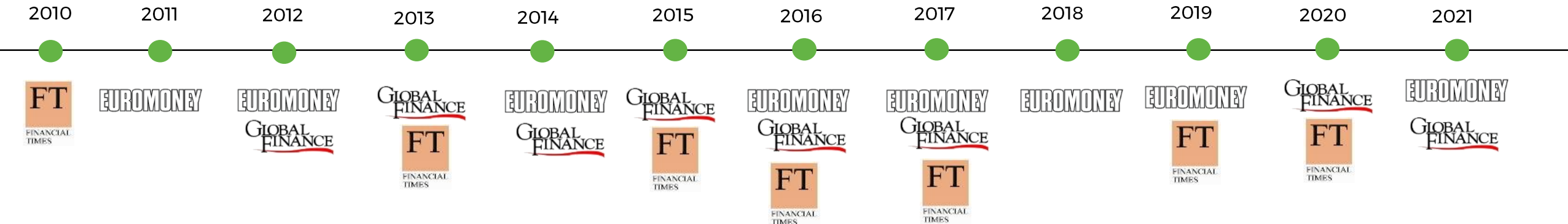
Our Shareholders



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.



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 **Appendices: Corporate Governance**

Strong Team & Corporate Culture

1

Unique corporate culture driven by a flat organization and a fully merit based compensation structure

2

One of the most professional and talented teams in the local market

3

Fully functioning Board committees as per international best practice of public companies

4

Most experienced and internationally accomplished board members in the market

5

Best practice corporate governance system 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.



**Philip
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.



**Kaha
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.

Ameriabank at a Glance

2020 Q2 Snapshot

2020 Q2 Financial Results

Strategy Highlights

Appendices: Financial Performance Details

Balance Sheet

thous AMD

| ITEMS | 2Q2021 | 2020 |
|--|----------------------|----------------------|
| Cash and cash equivalents | 215,625,752 | 233,241,832 |
| Financial instruments at fair value through profit or loss | 8,920,391 | 9,476,566 |
| Available-for-sale financial assets | 10,415,318 | 11,208,001 |
| Money market short-term disbursements | 39,300,649 | 55,047,101 |
| Loans and advances to customers* | 680,921,282 | 696,495,523 |
| Held-to-maturity investments | 46,256,225 | 51,537,293 |
| Property, equipment and intangible assets | 21,987,757 | 21,384,427 |
| Other assets | 10,628,545 | 12,250,981 |
| Total assets | 1,034,055,919 | 1,090,641,724 |
| Financial liabilities at fair value through profit or loss | 237,795 | 504,412 |
| Liabilities to banks | 65,294,839 | 75,851,426 |
| Current accounts and deposits from customers | 540,192,846 | 598,839,667 |
| Other borrowed funds | 151,723,175 | 128,907,362 |
| Sub-debt | 25,012,565 | 48,416,832 |
| Other liabilities | 132,272,505 | 128,416,423 |
| Total liabilities | 914,733,725 | 980,936,122 |
| Share capital and premium | 54,560,661 | 54,452,244 |
| Revaluation Reserve | 59,811 | 32,878 |
| Retained earnings | 64,701,721 | 55,220,480 |
| Equity | 119,322,193 | 109,705,602 |

Profit & loss

thous AMD

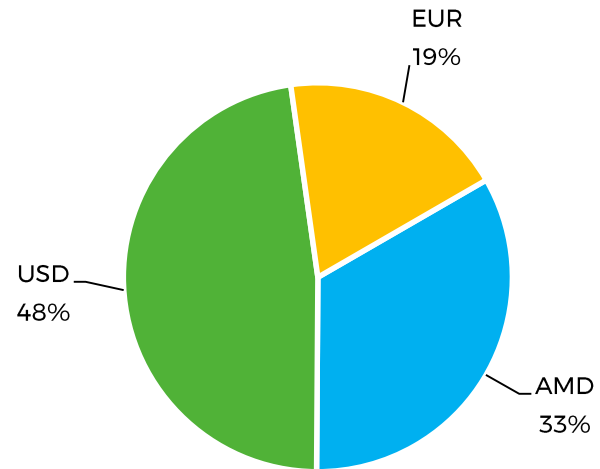
| ITEMS | 2Q2021 | 2Q2020 |
|---|-------------------|-------------------|
| Net interest income | 20,267,504 | 16,114,415 |
| Net fee and commission income | 2,396,431 | 1,606,219 |
| Net profit/loss from trading operations | 3,463,793 | 2,515,973 |
| Other operating income (expenses) | (815,888) | (742,228) |
| Operating income | 25,311,841 | 19,494,379 |
| Impairment losses | (4,134,122) | (6,041,934) |
| Personnel expenses | (6,122,711) | (4,653,195) |
| Total administrative expenses | (3,328,017) | (3,220,327) |
| Profit/ (loss) before tax | 11,726,991 | 5,578,923 |
| Profit tax | (2,245,750) | (1,005,795) |
| Net profit/ (loss) | 9,481,241 | 4,573,128 |

CBA prudential standards

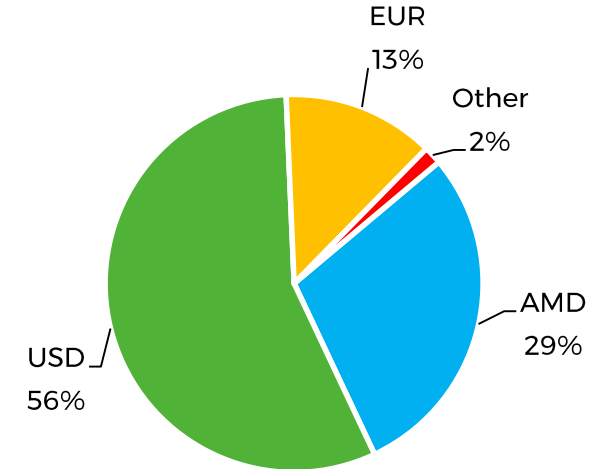
| ITEMS | 2019 | 2020 | 2Q2021 | CBA requirement | Violations |
|--|------------------|------------------|------------------|-----------------|--------------|
| Minimum statutory fund (in '000 AMD) | 37,347,200 | 37,386,880 | 54,385,935 | 50,000 | No violation |
| Minimum total capital (in '000 AMD) | 115,150,056 | 129,123,968 | 140,307,446 | 30,000,000 | No violation |
| S12_Total capital to risk weighted assets | 15% | 14% | 15% | 12% | No violation |
| S21_High liquid assets / Total assets | 28% | 23% | 29% | 15% | No violation |
| S211_High liquid assets of first group of currency / Total assets of first group of currency | 18% | 18% | 28% | 4% | No violation |
| S22_High liquid assets/ Demand liabilities | 94% | 85% | 103% | 60% | No violation |
| S221_High liquid assets of first group of currency / Demand liabilities of first group of currency | 63% | 81% | 111% | 10% | No violation |
| S31_Maximum risk on a single borrower | 14% | 15% | 16% | 20% | No violation |
| S32_Maximum risk on large-scale borrowers | 212% | 227% | 170% | 500% | No violation |
| S41_Maximum risk on bank related person | 1% | 1% | 1% | 5% | No violation |
| S42_Maximum risk on all bank related persons | 6% | 7% | 7% | 20% | No violation |
| Minimum requirement for obligatory reserves allocated with RA CBA: AMD Currency | X | X | X | 4% 18% | No violation |
| Maximum risk of currency position / Total capital of the bank | 0.10% | 0.05% | 0.03% | 10% | No violation |
| Maximum risk of separate currency positions / Total capital of the bank: USD EUR RUB other | X X X X | X X X X | X X X X | 7% | No violation |

FX Exposure

Currency structure of loan portfolio

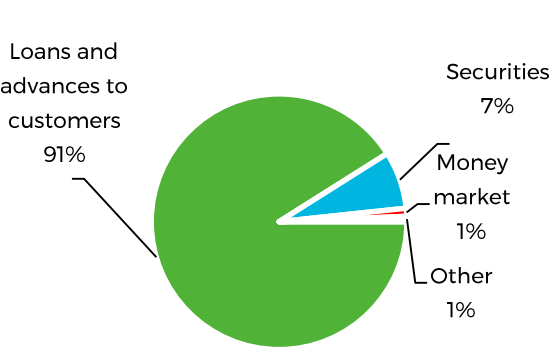


Currency structure of deposits

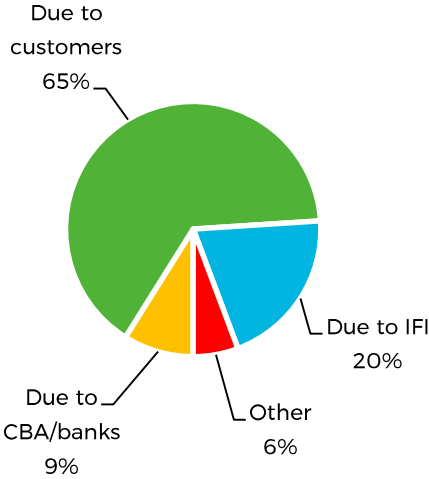


Income Structure

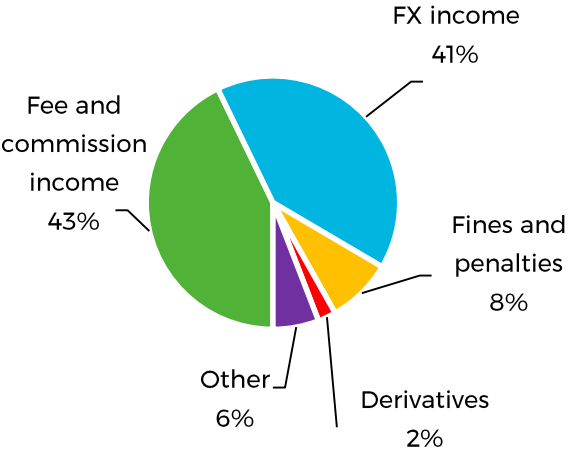
Interest income structure



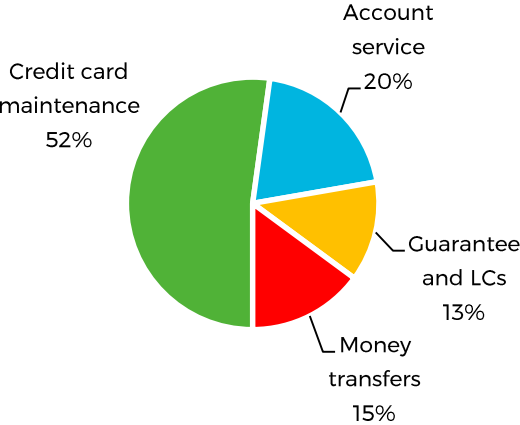
Interest expense structure



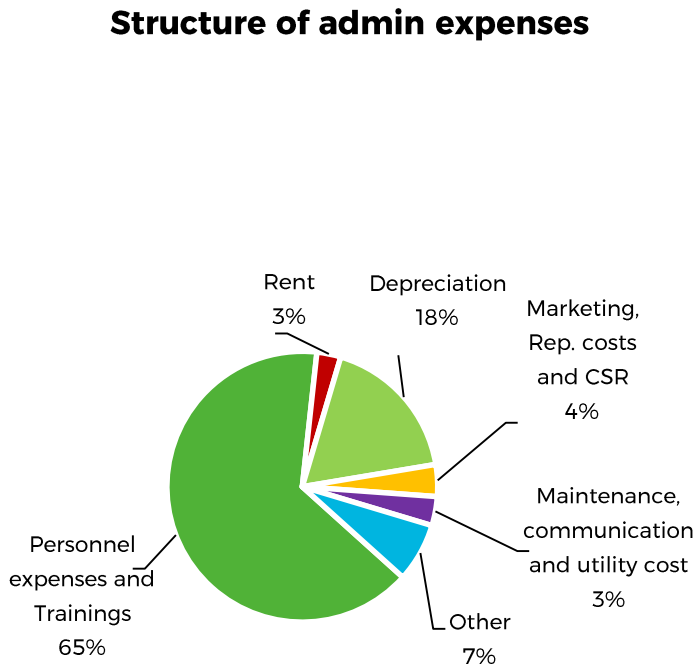
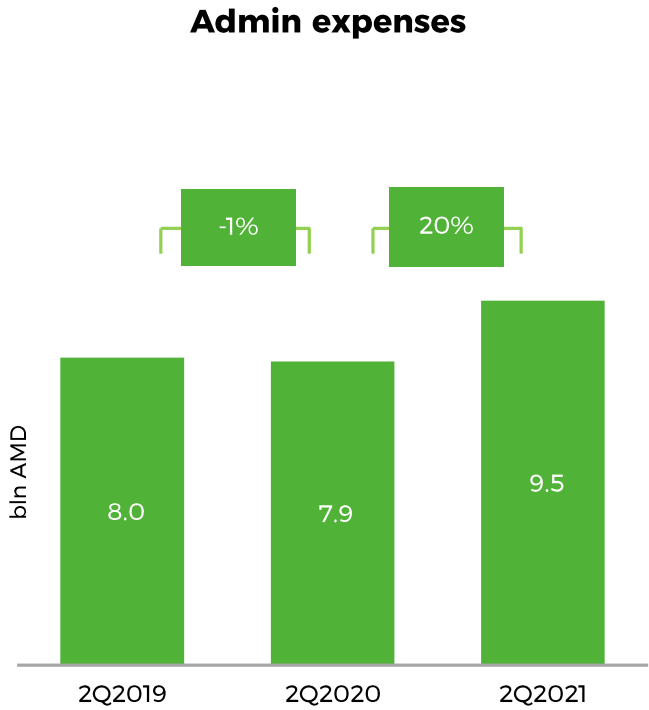
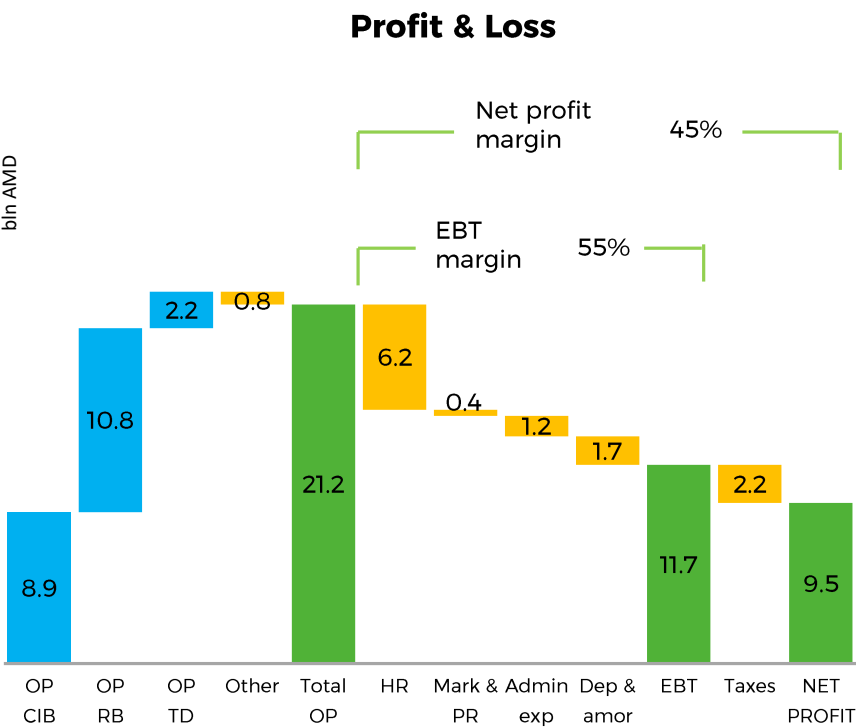
Non Interest Income structure



Net fee and commission income structure



P&L Structure



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