

InvestorPresentation



Ameriabank at a Glance

2021 Q3 Snapshot

2021 Q3 Financial Results

Strategy Highlights

Appendices



InvestmentHighlights

The Leading Bank in Armenia

1st in the market by key financial indicators for almost a decade, offering a window onto the whole Armenian Economy

- Omni channel Distribution Platform with Focus on Digital 91% 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, postpandemic accelerated growth and enhanced profitability
- Attractive Macro Fundamentals

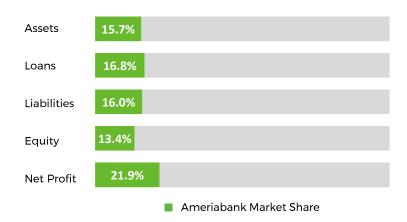
 Emerging economy, with proven resilience towards crises and external shocks, high average economic growth, low inflation and stable exchange rate



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, 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.





1,140 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	В
Outlook	Positive
SACP	bb-

Moody's

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

Ownership Structure





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2021 Q3 Achievements

leader per 2021 Q3 results

1,079 B Assets of AMD 955 B
Liabilities of AMD

1st 677 B Loans* of AMD

124 B Equity of AMD 1st 14.5 B Profit of AMD

- Ameriabank has raised USD 17.5M Tier 2 Capital.
- S&P Global Ratings improved the outlook on Ameriabank, revising it to positive from stable, and affirmed 'B+/B' long- and short-term issuer credit rating
- **S&P Global** Ratings

- Global Finance names Ameriabank as the Safest Bank in Armenia for 2021.
- The offloading ratio reached 93% with online banking penetration rate at 52%.







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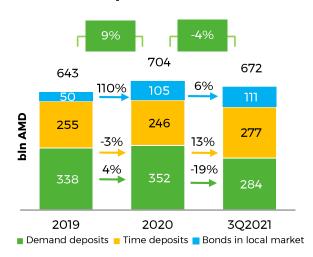


Core Business

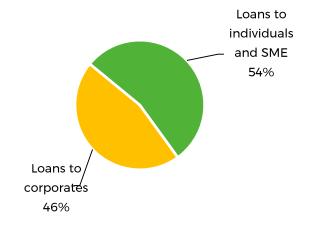
Loan portfolio



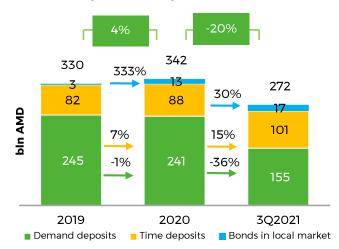
orate loans Reta



Loan portfolio breakdown



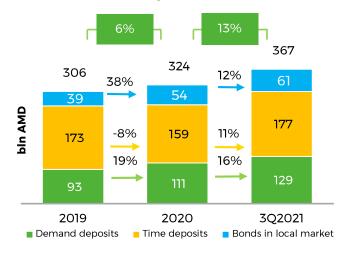
Corporate deposits & bonds



Highlights

- Increased share of retail and SME loans (54%) in line with the Bank's strategy to move to more universal banking model.
- The reduction of loan portfolio was mainly due to local currency appreciation and repayment of a few shortterm corporate loans.
- 4% decrease of total deposits and bonds was due to outflow of planned short-term large corporate funds and local currency appreciation, while Retail deposits continued steady growth.
- The Bank is the leader in the local corporate bond market with 30% market share.

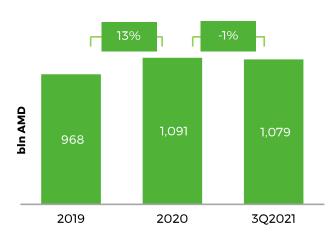
Retail deposits & bonds



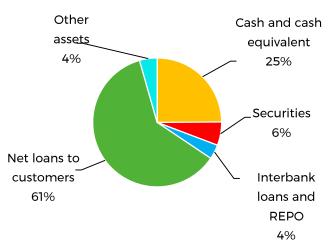


Assets & Liabilities Structure

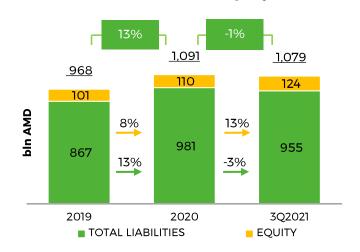
Assets



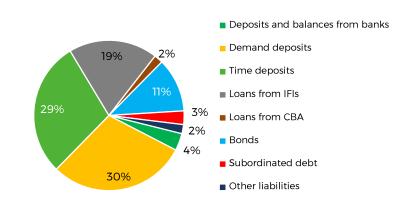
Structure of assets



Liabilities and equity



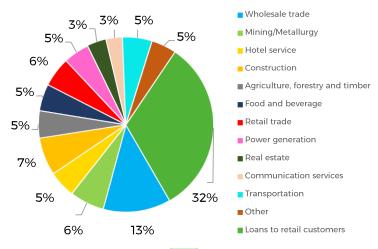
Structure of liabilities



Highlights

- 1% and 3% decrease in total assets and liabilities in 3Q2021 vs YE2020 is due to outflow of planned short-term large corporate funds and local currency appreciation.
- Diversified balance-sheet structure with interest earning assets to total assets at 71% and customer funds to total liabilities ratio at 70%.
- Maintaining exceptional sectorial diversification of loan portfolio, with balanced exposure to all industries.

Loan portfolio structure by sector



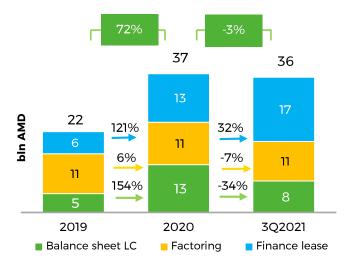


Corporate & Retail Banking

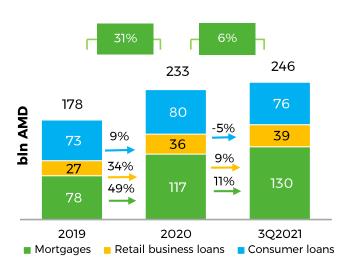
Corporate loans



Trade finance and Leasing



Retail loans



Highlights

- Corporate loans decreased 12% vs YE 2020 mainly due to local currency appreciation in Q3 2021 and planned repayments of a few short-term corporate loans. Meanwhile SME corporate loans portfolio increased by 4%, which is in line with the Bank's strategy of universal banking model.
- Retail loan portfolio recorded 6% growth comparing with YE 2020, with slight decrease only in consumer loans, as the Bank applied tighter loan underwriting model.



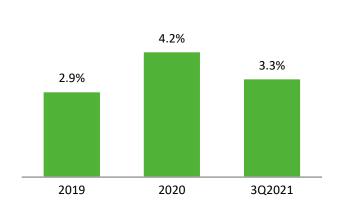
retail loans



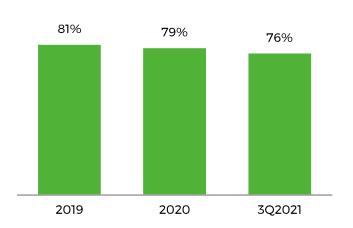


Loan Portfolio Quality

NPL (Stage 3)



Coverage ratio (Stage 3)



Highlights

- NPL ratio improved by 0.9pp. Previous YoY increase of risk indicators was because of proactive and conservative approach on loan loss 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.

3.3%

1.1%

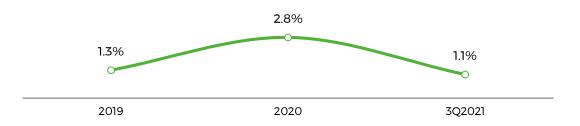
NPL

Cost of credit risk

76%

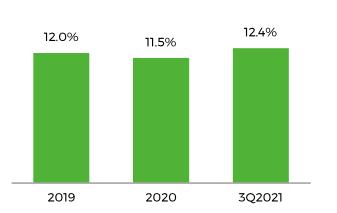
Coverage ratio



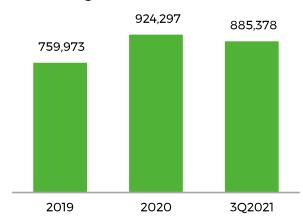


Capital

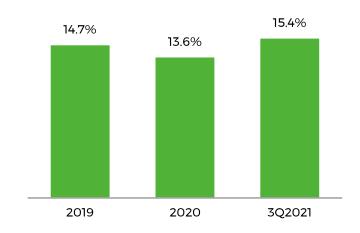




Risk Weighted Assets (AMD '000)



Capital Adequacy Ratio



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.
- Bank improved Total CAR by 1.8pp over performing regulatory minimum and buffers.
- CBA started discussions to harmonize regulatory requirements with that of Basel III. Subject changes may result in further easing of capital adequacy.

15.4%

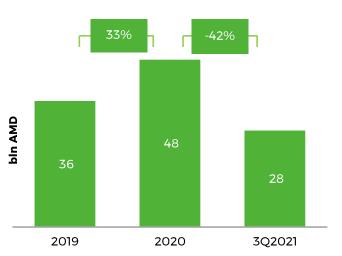


Funding & Liquidity

Attracted funds



Sub-debts



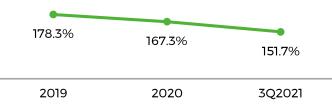
Highlights

- The bank attracted USD 17.5M equivalent subordinated debt, with an option to increase by USD 15M if required. The funds qualify as Tier 2 capital under Basel III framework aiming to strengthen the capital position of the bank.
- Sub-debt portfolio decreased by 42%: 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%).

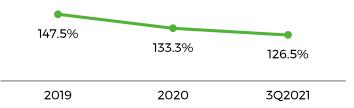
Loans to deposits and borrowings ratio



LCR (Liquidity Coverage Ratio)



NSFR (Net Stable Funding Ratio)

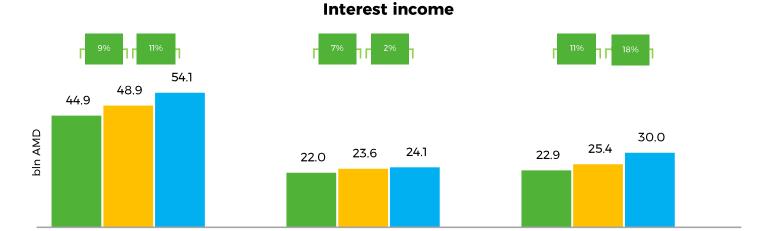




Income

Interest income

3Q2019



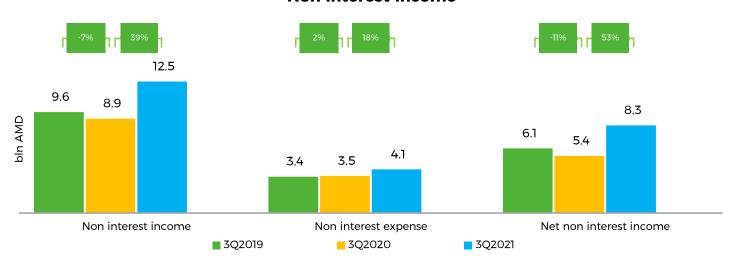
Non interest income

3Q2020

Interest expense

3Q2021

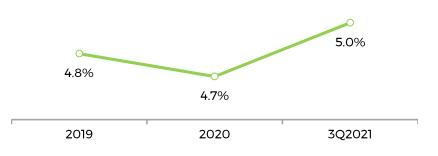
Net interest income



Highlights

- Net interest income registered YoY increase of 18%, due to both funding costs optimization and higher interest income, with the latter being the result of average loan book double digit growth and Retail and SME loans share increase in the 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 53% YoY mainly as a result of higher income from commissions, FX income and derivatives gains.

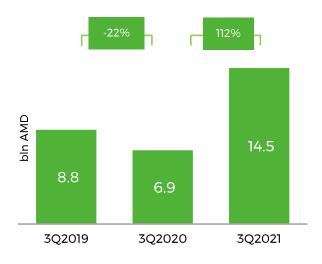
NIM (Net Interest Margin)



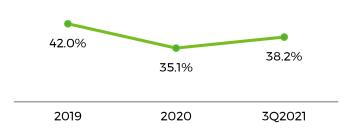


Efficiency & Profitability

Net profit



CIR (Cost to Income ratio)



ROA (Return on Assets)



ROE (Return on Equity)



Highlights

- Net profit increased by 112% 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.



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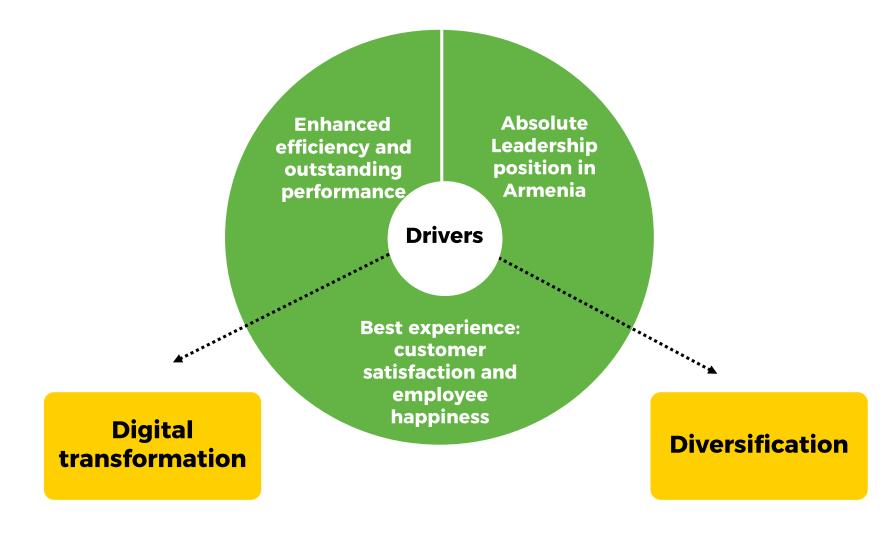
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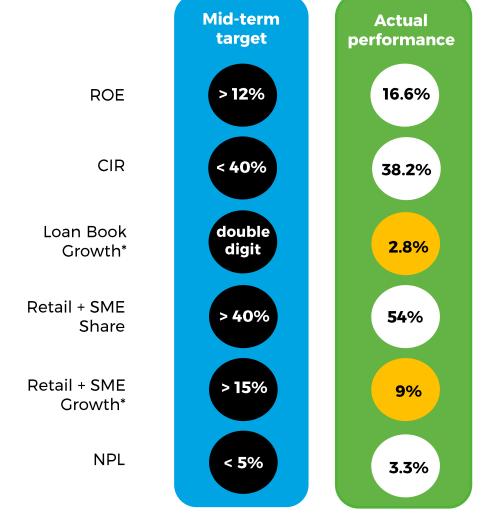
Appendices



Strategic Objectives



Mid-term Targets





Omni Channel Distribution Platform with Focus on Digital

Enhanced distance banking capabilities

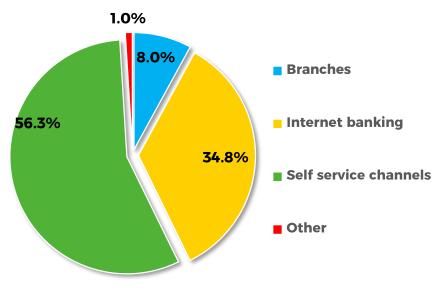


35% yoy Internet Banking Users



87% yoy Internet Banking Transactions

Share of operations via different channels

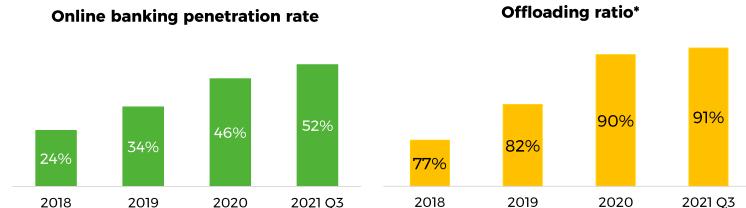




13% yoy
Payment Terminal Transactions



38% yoy vPOS Transactions

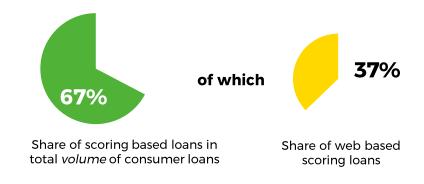




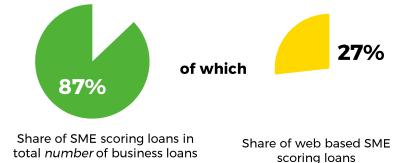
Omni Channel Distribution Platform with Focus on Digital

Fully automated scoring based online loans implemented for consumer loans

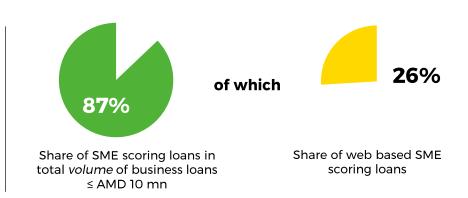




Fully automated scoring based online loans implemented for **SME loans**



≤ AMD 10 mn





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 - 74.6% CEI* - 9.6

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

€42mn Green bonds issued

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 \$)

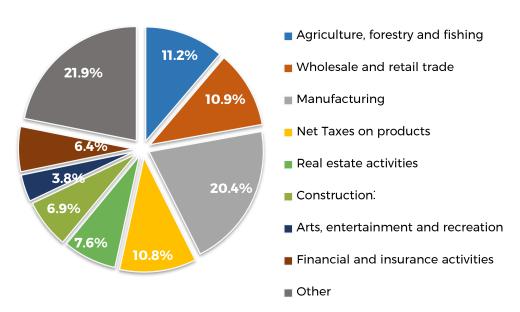
GDP per capita: 4,27 (2020, current \$)

Moody's: Ba3 (stable)

S&P: B+ (positive) Fitch: B+ (stable)

Well Diversified Economy

GDP Structure by production*



High Average GDP Growth & Low Inflation 2013-2021



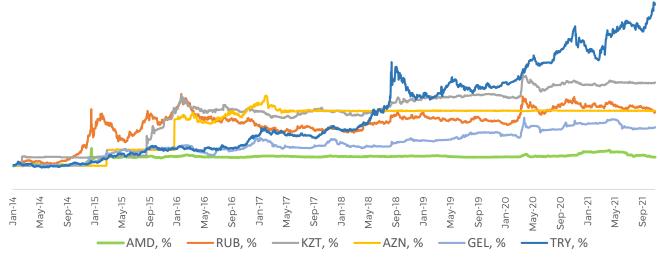
†Real GDP growth indicator of 3Q2020 is not available yet. EAI (proxy of GDP growth) is taken.

**daily rate changes with 2014 January as basis.

Source: Bloomberg

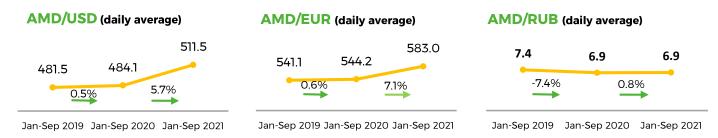
Most Stable Currency in the Region

(regional currencies vs USD FX rate dynamics)**



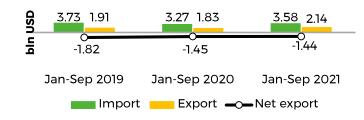


Armenia Macro Indicators



Current account (BOP)*





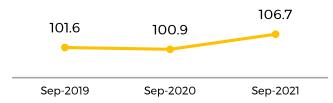
International Reserves



Remittances**



CPI (12m)



Economic Activity Index (IEA 12m)



Highlights

- EAI (GDP growth proxy) for 9m2021 comprised 4.4%, 11.2pp higher compared to the same period of the previous year.
- 12-month cumulative CPI comprised 6.7% in Sep-2021 vs previous year's 0.9%.
- Armenian dram depreciated by 5.7% against US dollar over 9m2021 vs 9m2020. 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 2Q2021 vs the same period of previous year.
- Remittances increased by 23% YoY for 9m2021 vs the 12% drop of previous year.

Source: Statistical Committee of Armenia, Central Bank of Armenia



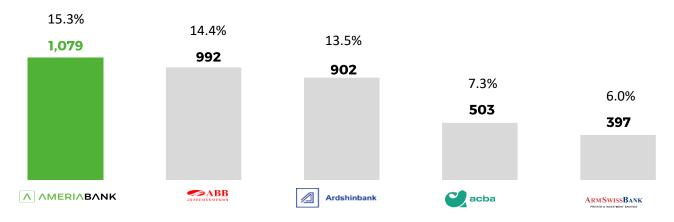


^{**}Remittances include total commercial and non-commercial transfers of physical persons through the banking system. Updated information isn't available yet.

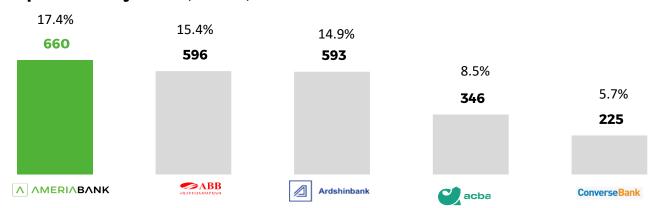


Armenian Banking Sector Highlights

Top 5 banks by assets (AMD B)



Top 5 banks by loans (AMD B)



Highlights

- Banking system assets and loans totaled AMD 6,887 B and AMD 3,928 B respectively.
- A competitive market, with top five banks representing 56.2% and 61.6% of the total banking system assets and loans respectively.
- The top three banks account for 43.2% of the total assets and 47.1% of total loans.



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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)

2020-2021

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

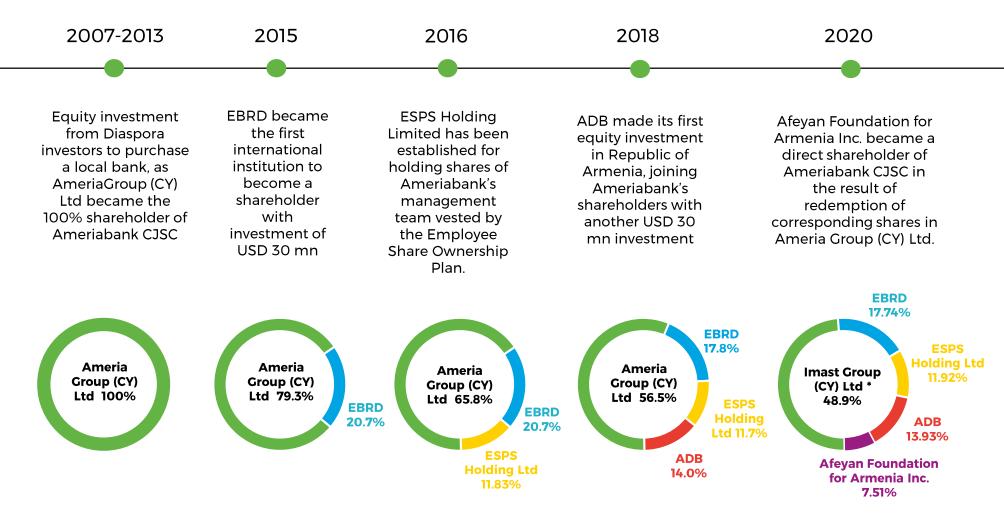
2017-2019

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 first equity investment of ADB in Armenia

Our Shareholders





Recognition & Honors

for Achievements

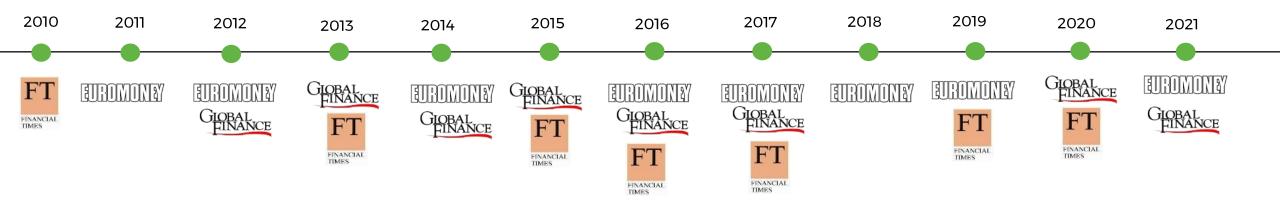
Best Bank in Armenia

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











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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 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.



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

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 more than 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

ITEMS	3Q2021	2020
Cash and cash equivalents	268,497,956	233,241,832
Financial instruments at fair value through profit or loss	11,665,977	9,476,566
Available-for-sale financial assets	10,239,026	11,208,001
Money market short-term disbursements	39,262,511	55,047,101
Loans and advances to customers	660,116,314	696,495,523
Held-to-maturity investments	51,042,394	51,537,293
Property, equipment and intangible assets	21,638,456	21,384,427
Other assets	16,423,963	12,250,981
Total assets	1,078,886,597	1,090,641,724
Financial liabilities at fair value through profit or loss	306,936	504,412
Liabilities to banks	83,449,051	75,851,426
Current accounts and deposits from customers	561,256,134	598,839,667
Other borrowed funds	147,029,778	128,907,362
Sub-debt	27,985,152	48,416,832
Other liabilities	134,760,125	128,416,423
Total liabilities	954,787,176	980,936,122
Share capital and premium	54,560,661	54,452,244
Revaluation Reserve	(177,485)	32,878
Retained earnings	69,716,245	55,220,480
Equity	124,099,421	109,705,602



Profit & loss

ITEMS	3Q2021	3Q2020
Net interest income	29,984,025	25,369,337
Net fee and commission income	3,743,213	2,670,150
Net profit/loss from trading operations	5,835,170	3,945,853
Other operating income (expenses)	(1,264,885)	(1,197,180)
Operating income	38,297,522	30,788,161
Impairment losses	(5,745,297)	(10,691,966)
Personnel expenses	(9,597,679)	(6,944,975)
Total administrative expenses	(5,048,214)	(4,734,611)
Profit/ (loss) before tax	17,906,332	8,416,609
Profit tax	(3,410,567)	(1,564,446)
Net profit/(loss)	14,495,765	6,852,163



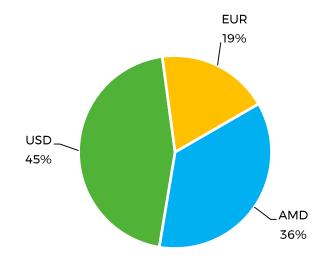
CBA prudential standards

ITEMS	2019	2020	3Q2021	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	141,240,013	30,000,000	No violation
S12_Total capital to risk weighted assets	14.74%	13.57%	15.38%	12%	No violation
S21_High liquid assets / Total assets	27.85%	22.53%	33.05%	15%	No violation
S211_High liquid assets of first group of currency / Total assets of first group of currency	18.19%	17.87%	34.64%	4%	No violation
S22_High liquid assets/ Demand liabilities	94.46%	85.32%	116.94%	60%	No violation
S221_ High liquid assets of first group of currency / Demand liabilities of first group of currency	63.24%	80.73%	139.29%	10%	No violation
S31_Maximum risk on a single borrower	13.71%	14.63%	15.67%	20%	No violation
S32_Maximum risk on large-scale borrowers	211.74%	227.24%	164.61%	500%	No violation
S41_Maximum risk on bank related person	1.24%	1.15%	1.54%	5%	No violation
S42_Maximum risk on all bank related persons	6.32%	7.33%	7.4%	20%	No violation
Minimum requirement for obligatory reserves allocated with RA CBA: AMD Currency	Х	х	Х	4% 18%	No violation
Maximum risk of currency position / Total capital of the bank	0.10%	0.05%	0.5%	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	0.46% X 0.00% X	7 %	No violation

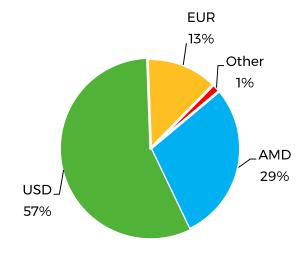


FX Exposure

Currency structure of loan portfolio

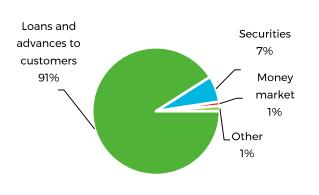


Currency structure of deposits

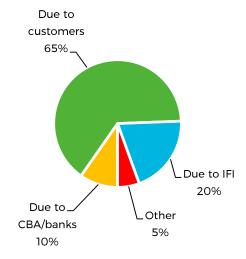


Income Structure

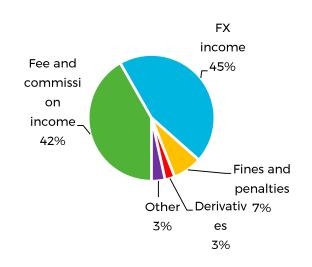
Interest income structure



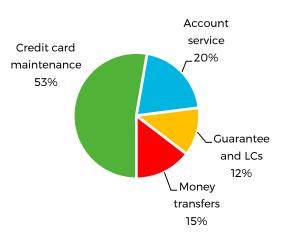
Interest expense structure



Non Interest Income structure

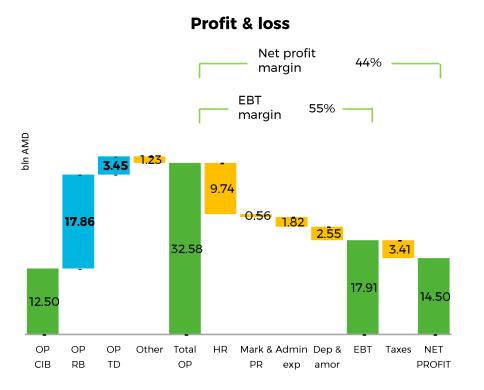


Net fee and commission income structure

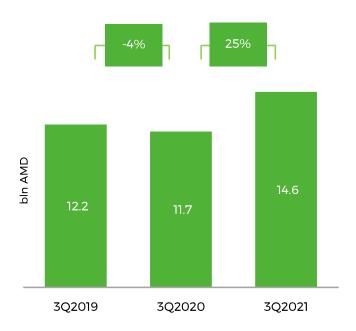




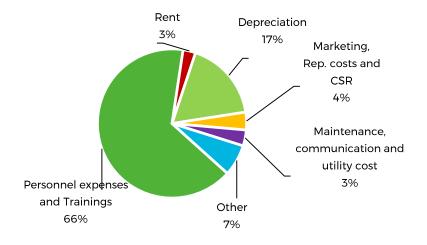
P&L Structure



Admin expenses



Structure of admin expenses





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