



UNIBANK OJSC

Armenia Securities Exchange: UNIB

Bloomberg: UNIB AY

Reuters: UNIB

2021

REPUBLIC OF ARMENIA: GENERAL INFORMATION

MAIN INDICATORS

The unique geographical location and liberal foreign trade regime, which provides a strategic opportunity to enter the main markets of Russia / CIS, the EU and the Middle East



Full name – The Republic of Armenia

Population - 2.96 mln (as of September 2020)

Area – 29.743 sq. km (11.5 sq. miles)

Major languages – Armenian, Russian, English

Life expectancy: male 71.6, female - 78.3

Monetary unit – Armenian dram (AMD)

Exchange rate - As of September 30, 2021 : 491.45 AMD/USD

Sovereign Country Ratings:

Fitch – B+, outlook- stable (24 September, 2021)

Moody's – Ba3, outlook- stable (31 August, 2020)

Global competitiveness index: 69 out of 141 countries

Ease of Doing Business Rank: 47 out of 190 countries

Economic Freedom Index Rank: 32 out of 180 countries

REPUBLIC OF ARMENIA: INVESTMENT MAP

INVESTMENT REGIME

RA promotes foreign investments and follows an “open door” policy, including :

- Equal treatment for both foreign and domestic investors;
- 100% foreign ownership is permitted;
- No limitations on size and type of foreign ownership
- Special investment incentives for foreign investors
- Alternative dispute resolution mechanisms for foreign investors (ICSID);
- Guarantees for legislative changes (a five -year “grandfather-clause”);
- No restrictions for capital and revenue transfer and repatriation;
- Liberal regime on employment of foreign workers.

MAIN SEGMENTS OF THE ECONOMY

- ✓ Trade & Services
- ✓ Agriculture
- ✓ IT Engineering, Research & Development
- ✓ Tourism
- ✓ Health & Pharma
- ✓ Jewelry & Precious stones

REPUBLIC OF ARMENIA: MACROECONOMIC ENVIRONMENT



CBA forecast for 2021/ 4.8 %

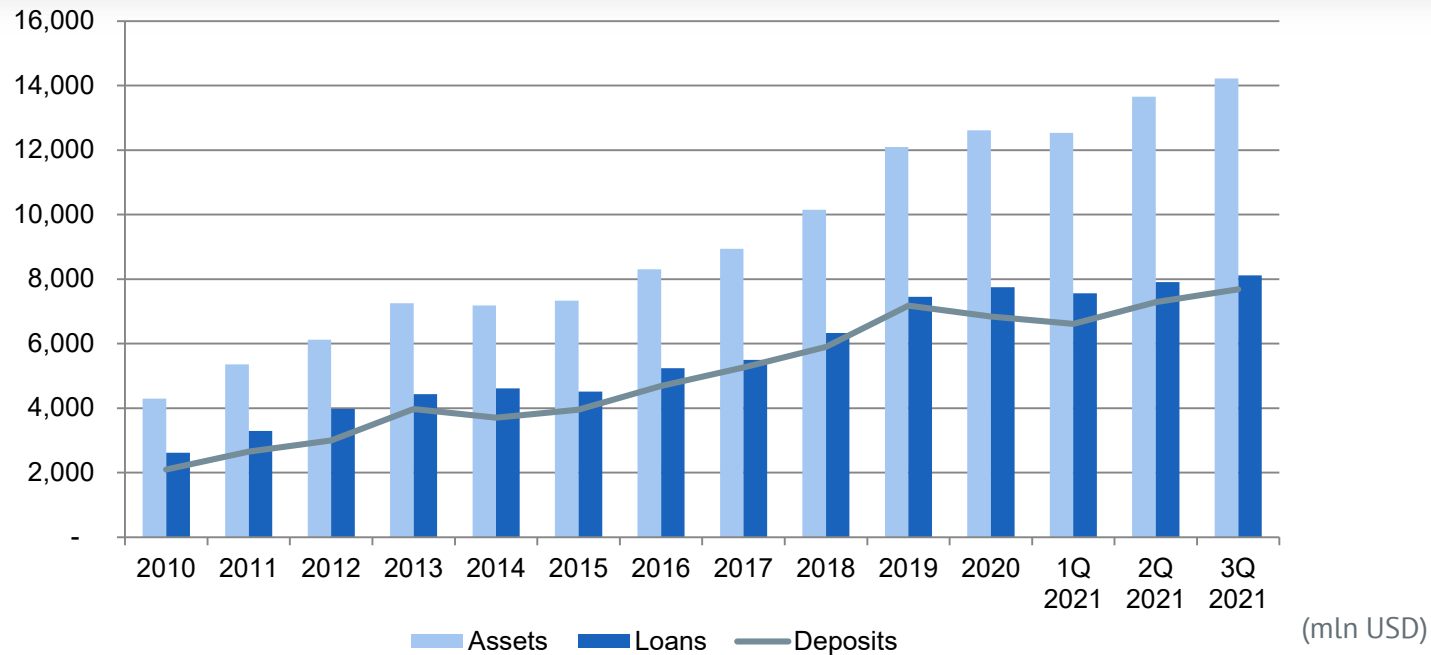
MAIN CHALLENGES

- Since mid-March 2020, the Armenian banking system has been challenged by the coronavirus outbreak effecting mainly large array of small and medium-sized enterprises (SMEs) working in the segments of tourism, hospitality, FMCG, cafes, restaurants, construction and others.
- Trilateral statement between Armenia, Russia and Azerbaijan on the Nagorno-Karabakh conflict lowered geopolitical tension in the region and prevented a further decline in country's business activity.
- Unibank and the banking system as a whole has sufficient capital and liquidity reserves to withstand the crisis, customer confidence remains high.

MEDIUM TO LONG TERM TARGETS:

- The stability of the Armenian dram and de-dollarization tendency of the financial sector.
- GDP per capita in PPP terms has demonstrated stable continuous growth since 2009.
- Economic and fiscal reforms to increase economic competitiveness and attract foreign investment.
- Economic support measures for businesses and households to overcome coronavirus consequences.

ARMENIAN BANKING SECTOR BACKGROUND



COMPARATIVE ADVANTAGES:

- Sound, reliable, well capitalized financial system
- High level of transparency and accountability
- Repatriation of capital and profits
- Armenian banking system has one of the highest CARs in the region

SUSTAINABLE FUNDING AND CREDIT GROWTH

- Ample liquid assets provide a good cushion against funding volatility
- Stable economic growth and exchange rate leads to further improvements in loan quality
- Securities portfolios mainly comprise sovereign bonds, while equity investments are insignificant

UNIBANK: KEY FACTS

Unibank was established
in **2001**

(license N 81, 09.10.2001, Central Bank of
Armenia)

First bank in RA that listed its shares
through an IPO at
Armenia Securities Exchange (AMX)

Market Cap.
USD 100 mln

Structured branch network - key
regional coverage
55 branches

Moody's Investors
Service rating
B2, Stable

Over
327.000
customers

Top 100
taxpayers list

FULL SCALE BANKING SERVICES:

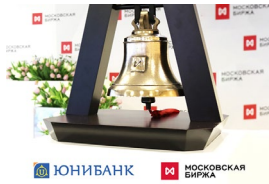
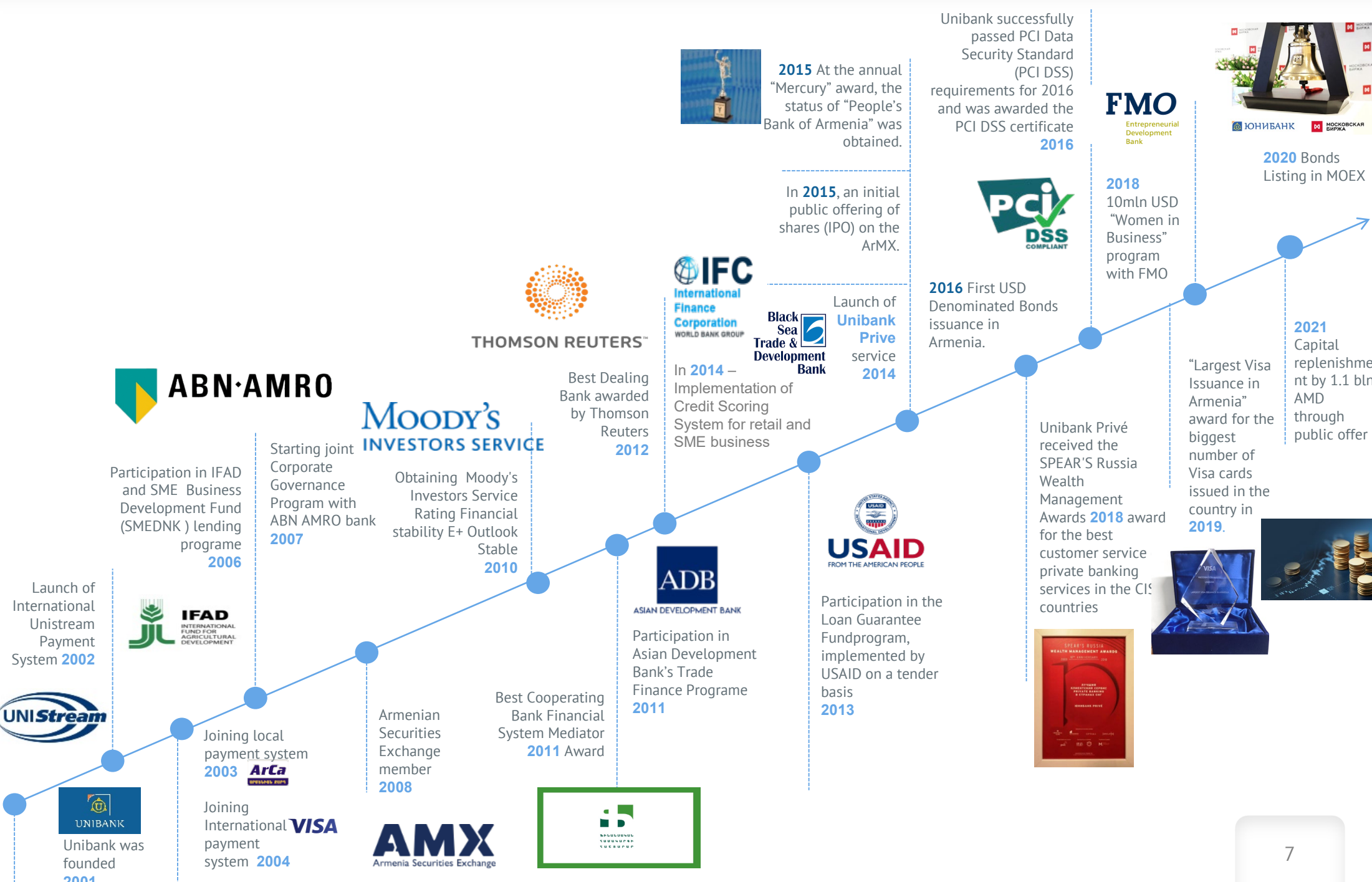
Retail business Corporate business Private banking

International transfers Online & Mobile Banking Investment instruments

SPEARS'

Wealth Management Award 2018

UNIBANK MILESTONES



2020 Bonds Listing in MOEX

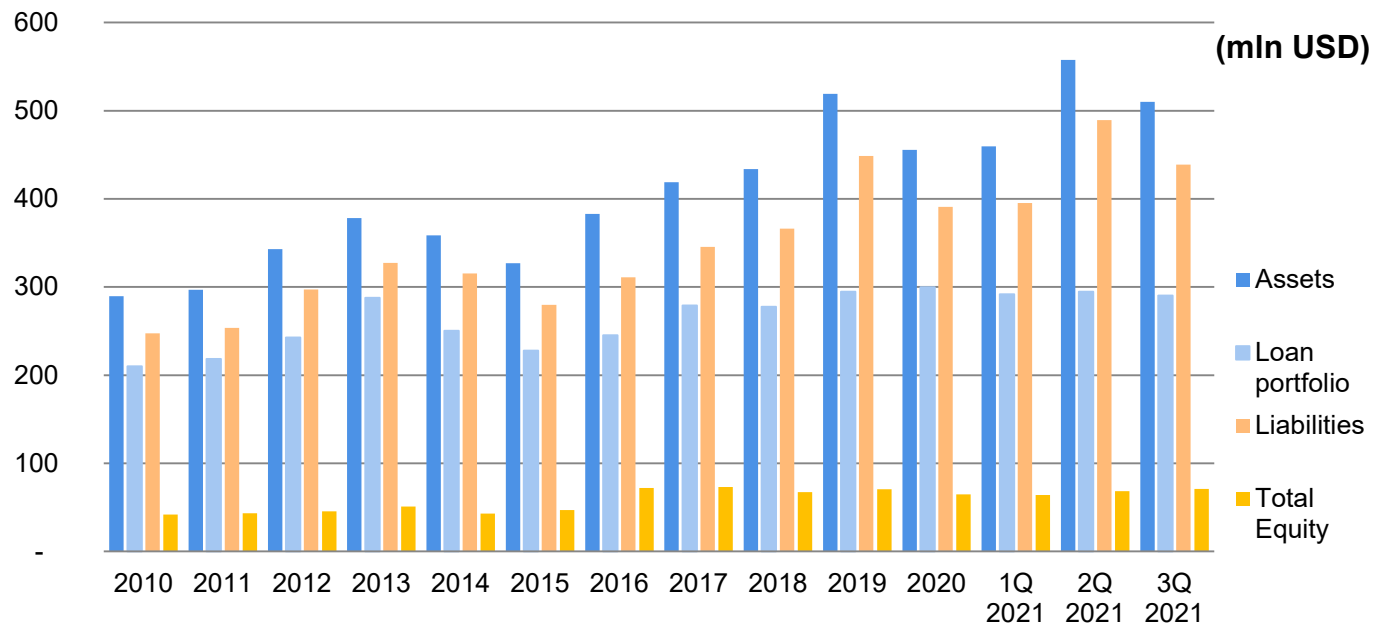
2021 Capital replenishment by 1.1 bln AMD through public offer



"Largest Visa Issuance in Armenia" award for the biggest number of Visa cards issued in the country in 2019.



UNIBANK: MAIN INDICATORS as of 30.09.2021



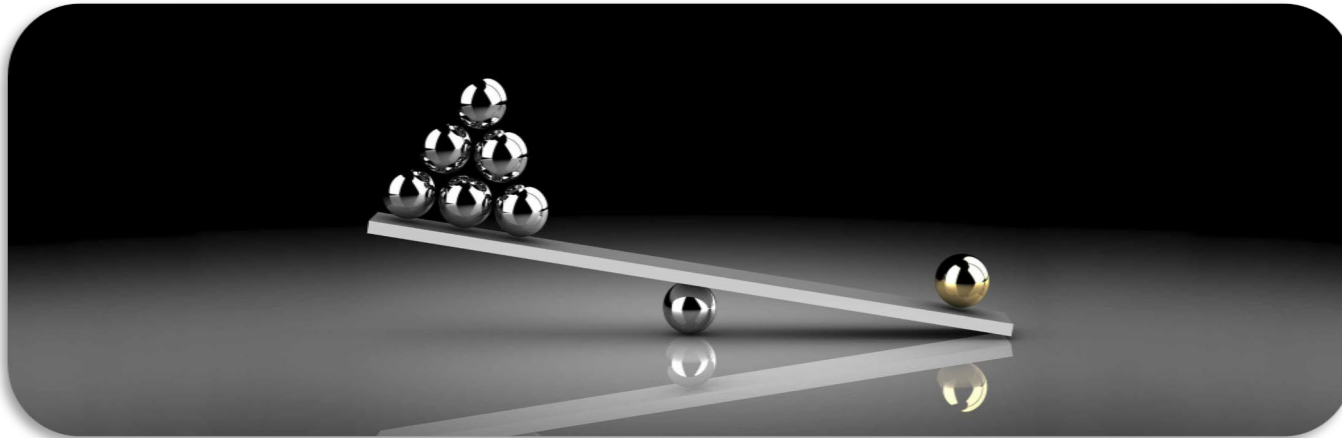
- Bank's assets 510 mln USD
- The volume of Bank's credit investments 290 mln USD
- Bank's liabilities 439 mln USD



Quarterly Highlights

- The subscription for the class B, non-documentary preferred shares with a 12% fixed annual dividend was successfully completed (worth AMD 1.1 bln).
- Unibank expanded cooperation with KfW bank and started realizing a new credit program for SME businesses
- The first cross-listing transaction of Unibank, [5.25% 15NOV2022, USD](#), was recognized as the best deal in Armenia this year.

UNIBANK: COMPETITIVE ADVANTAGES



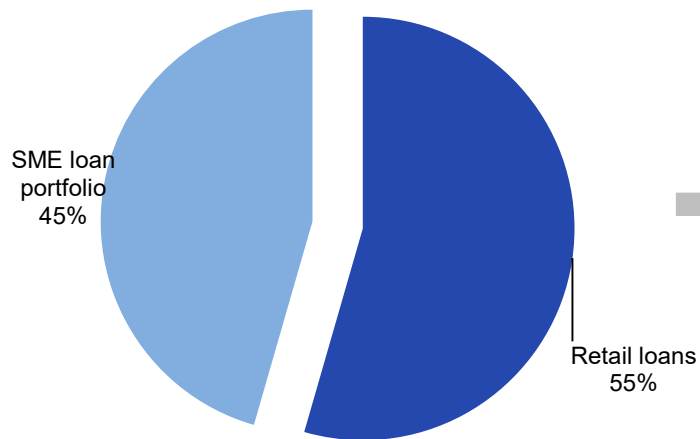
- ✓ Over 20 years of progressive growth (a comprehensive package of corporate, investment and retail banking services)
- ✓ The first public company in Armenia to place shares on the Armenia Securities Exchange (AMX)
- ✓ The first Armenian bank to list its bonds on the Moscow Exchange (MOEX)
- ✓ Expanded network – 55 branches (5th largest), 82 promo points (the largest), 145PoS terminals and 114ATMs
- ✓ Moody's rating agency forecast – B2, Stable
- ✓ Key Retail lender in Armenia: 1st place by the number of provided loans
- ✓ The best private banking client service in the CIS countries according to SPEAR'S Russia Wealth Management Awards 2018: The leader in cross-border settlements for companies and private clients
- ✓ One of three processing centers in Armenia, credit conveyor based on CRM system
- ✓ Effective corporate governance system and professional management team

SPEAR'S

Wealth Management Award 2018

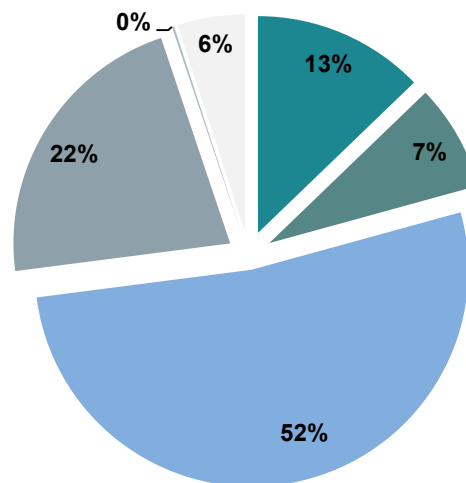
UNIBANK: RETAIL BUSINESS DYNAMICS as of 30.09.2021

LOAN PORTFOLIO STRUCTURE
292 mln USD



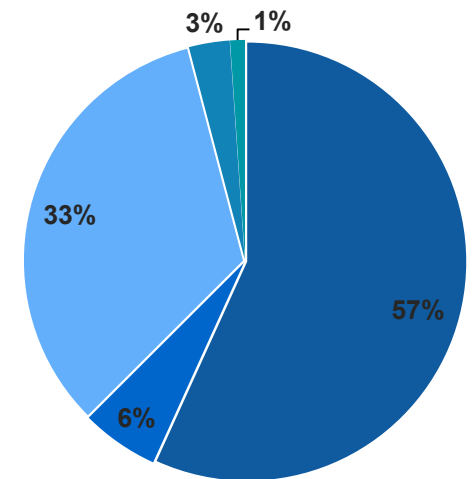
- Retail (160 mln USD)
- Business (132 mln USD)

RETAIL LOAN PORTFOLIO STRUCTURE
160 mln USD



- Mortgage loans
- Credit cards
- Consumer loans
- Consumer pledged loans
- Car loans
- Gold pledged loans

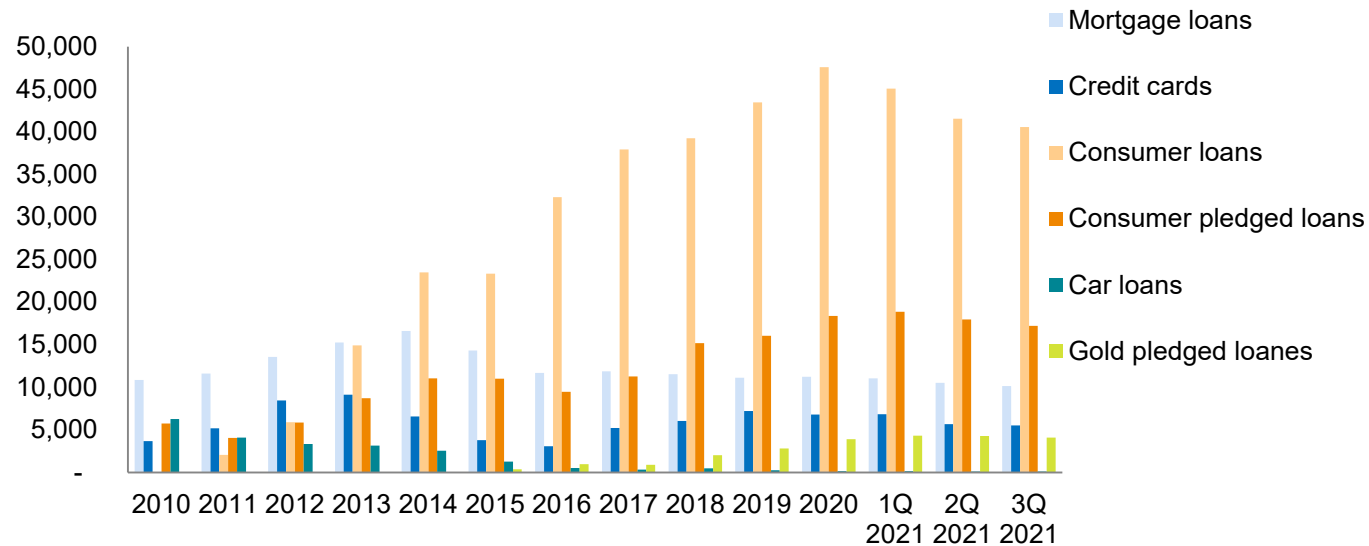
POS LOANS STRUCTURE
36 mln USD



- Mobile phones
- Computers
- Home appliances
- Furniture
- Other

UNIBANK: RETAIL BUSINESS DYNAMICS as of 30.09.2021

Dynamics and structure of Retail credit portfolio (mln AMD)

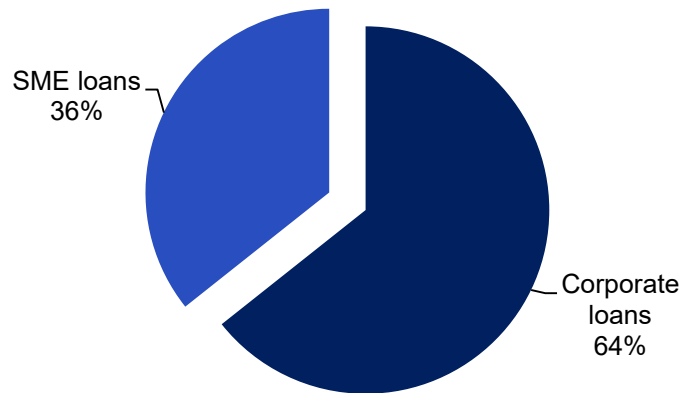


Source: Bank's resources

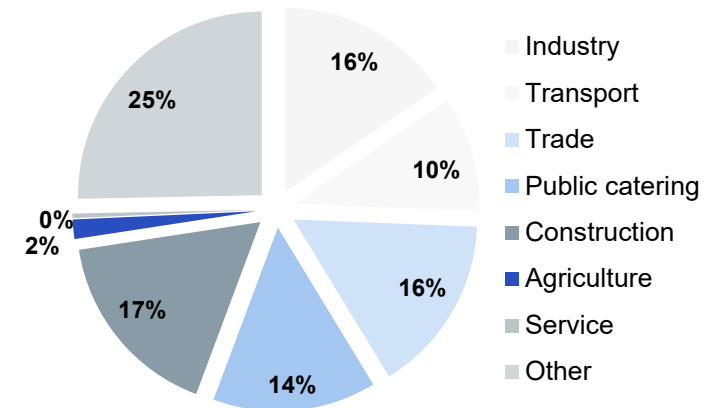
- ✓ POS loans customers grew by more than 10 times since 2011
- ✓ Volume of Unibank's POS loans cover over 20% of the market
- ✓ Unibank's CRM culture allowed creation of a database with over 320 000 unique records, that is about a quarter of the active population of the country
- ✓ Immediate cash payment to retail partners instead of factoring within 3-4 days

UNIBANK: BUSINESS LOAN PORTFOLIO as of 30.09.2021

Business loan portfolio structure



Business loan portfolio by sectors (132 mln USD)



Customer tailored Micro and SME lending products covering capital and WIC needs



Historical long-standing relationships with key corporates players in trade and retail industries



Payroll, local and international payment services

COOPERATION WITH INTERNATIONAL FINANCIAL INSTITUTIONS

Selected sources to support SME, Micro business and Trade Financing



ASIAN DEVELOPMENT BANK



Participation in loan programmes

- Recovering Energy Development Program
- Sustainable Housing Finance Market Development Program
- Small and Medium Entrepreneurship Development Program
- Rural areas economic development program
- Marketing opportunities for farmers
- Agricultural reforms support program
- Program of National Center for Small and Medium Entrepreneurship Support

At the Caucasus SME Banking Club Conference 2019 Unibank was chosen as one of the most innovative banks in 2018 and was awarded a SME Banking Club certificate.



ACTIVE COOPERATION WITH MAJOR PAYMENT SYSTEMS, CORRESPONDENT BANKS



Principal member of **Master Card Europay**

mastercard.

Principal member of **Visa International payment system**



Shareholder of **SWIFT International Financial Telecommunication System**

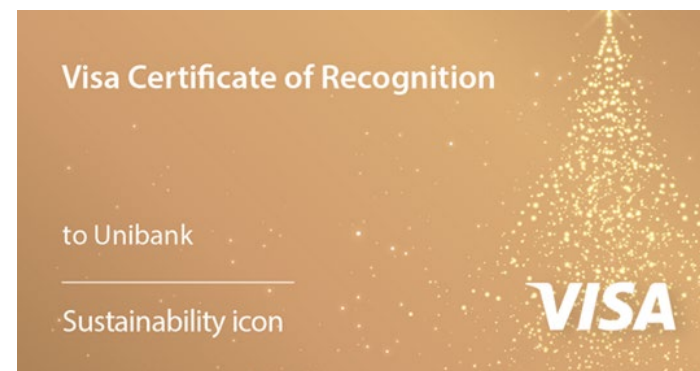


Full member and shareholder of **“ArCa” processing Company**

CORRESPONDENT BANKS

RAIFFEISEN BANK INTERNATIONAL AG
LANDESBANK BADEN-WUERTTEMBERG
AO RAIFFEISENBANK
BANKA POPOLARE DI SONDRIO
EURASIAN DEVELOPMNET BANK
BANK OF GEORGIA

CB UNISTREAM
VTB BANK (PJSC)
ALFA BANK
TRANSSTROIBANK
TRANSKAPITALBANK
EXIMBANK OF RUSSIA
JSC ROSSELKHOZBANK



Visa International payment system has awarded Unibank the “Sustainability Icon” award, highly appreciating the outcomes of a successful partnership.

UNIBANK: CORPORATE BONDS

Successful bonds listing at MOEX for the first time in the history of the Armenian Banking system in July 2020, ISIN – AMUNIBB2AER2

Portfolio in circulation

Ticker	List	Cur.	Quantity	Price	Maturity	Coupon	Coupon payments	Total Volume
UNIBB9	Bbond	USD	10,924	100	20.03.2022	5.00%	Quarterly	1,092,400
UNIBBA	Bbond	USD	10,000	100	15.11.2022	5.25%	Quarterly	1,000,000
UNIBBB	Bbond	USD	50,000	100	01.09.2023	5.25%	Quarterly	5,000,000
UNIBBC	Bbond	AMD	50,000	10,000	10.12.2022	10.50%	Quarterly	500,000,000
UNIBBD	Bbond	USD	33,478	100	05.02.2024	5.3%	Quarterly	3,347,800
AMUNIBB2GER9	Bbond	USD	40,000	100	20.05.2024	5.25%	Quarterly	4,000,000
AMUNIBB2FER1	Bbond	AMD	100,000	10,000	20.08.2023	11%	Quarterly	1,000,000,000
UNIBBE	Bbond	AMD	100,000	10,000	05.05.2023	10.50%	Quarterly	1,000,000,000

BOND SPECIFICATIONS

- ✓ No restriction on investment repatriation
- ✓ No foreign exchange restrictions
- ✓ Higher return compared to deposits
- ✓ Income tax exemption for listed corporate bonds
- ✓ Amendments to the Law on Guaranteeing the

Compensation of Bank Deposits/Bonds of Individuals – guaranteeing \$ 15,000 for physical persons (current AMD rate to USD)*.

ISSUER

UNIBANK

Planned issue Q4/2021

Type	Nominal Coupon Bonds
Issue Volume	USD 5 mln
Maturity	36 months
Interest rate	4.8%
Coupon Periodicity	3 months
Stock Market	Armenia Securities Exchange (AMX)
Account operator/Broker	Unibank OJSC
Market Maker	ArmBrok OJSC Gx2 Invest JSC

UNIBANK: INVESTMENT PROPOSAL – PREFERRED SHARES

Over the past 10 years, dividends on preferred shares of Unibank have been paid.

ISSUER	UNIBANK
Type	Non documentary preferred shares
Nominal price	AMD 230

Additional 4,778,261 convertible preferred shares of class B, with a fixed annual dividend, each with a par value of AMD 230 has been fully placed through public offer.

PREFERRED SHARES SPECIFICATIONS

- ✓ In the short term prospect - 12% fixed dividend, payable following each financial year in line with RA legislation (taxable at 5%)
- ✓ In the long term prospect - capital gain, which is tax exempt
- ✓ Right of voting on key issues
- ✓ Partial sale of shares is possible
- ✓ Protection against legislative changes for 5 years

* The amendments to Tax Code entered into force on March 1, 2020 stipulates the following:

- VAT exemption of intermediation services in securities markets, including CSD related services and services of market-making;

UNIBANK: SUBORDINATED LOAN

Currency	USD/EUR
Amount	10 mln
Term	5.5 – 10 years
Rate (USD)	5.5 years – 6% 6 years – 6.5% 7 years – 7% 8 - 10 years – 8%
Rate (EUR)	5.5 years – 3% 6 years – 3.5% 7 years – 4% 8 - 10 years – 5%
Legislation	Republic of Armenia https://www.cba.am/EN/laregulations/Regulation_2.pdf (see Appendix 10)
Potential Buyer	Physical or Legal Entity

UNIBANK: INTERNATIONAL SETTLEMENTS

BUSINESS MODEL

Broad customer base and 2000+ international transfers per month

COMPLIANCE PROCEDURES

Operates in full compliance with KYC and EU 5th AML Directive requirements

EXPERIENCED TEAM

Professional team with many years of banking services experience within EU and Eurasian Union

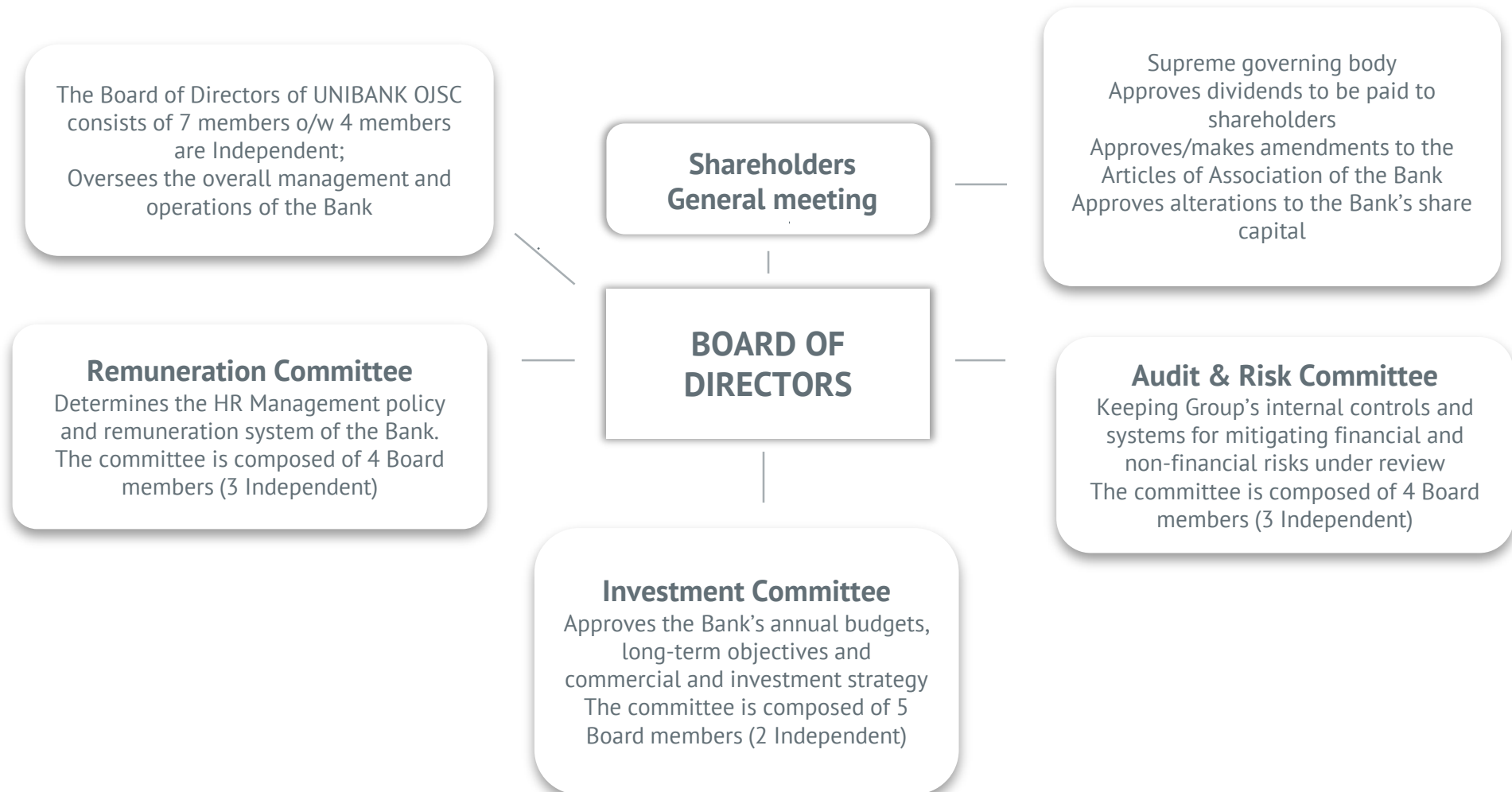
THE PRINCIPLES ON WHICH UNIBANK IS ORIENTED



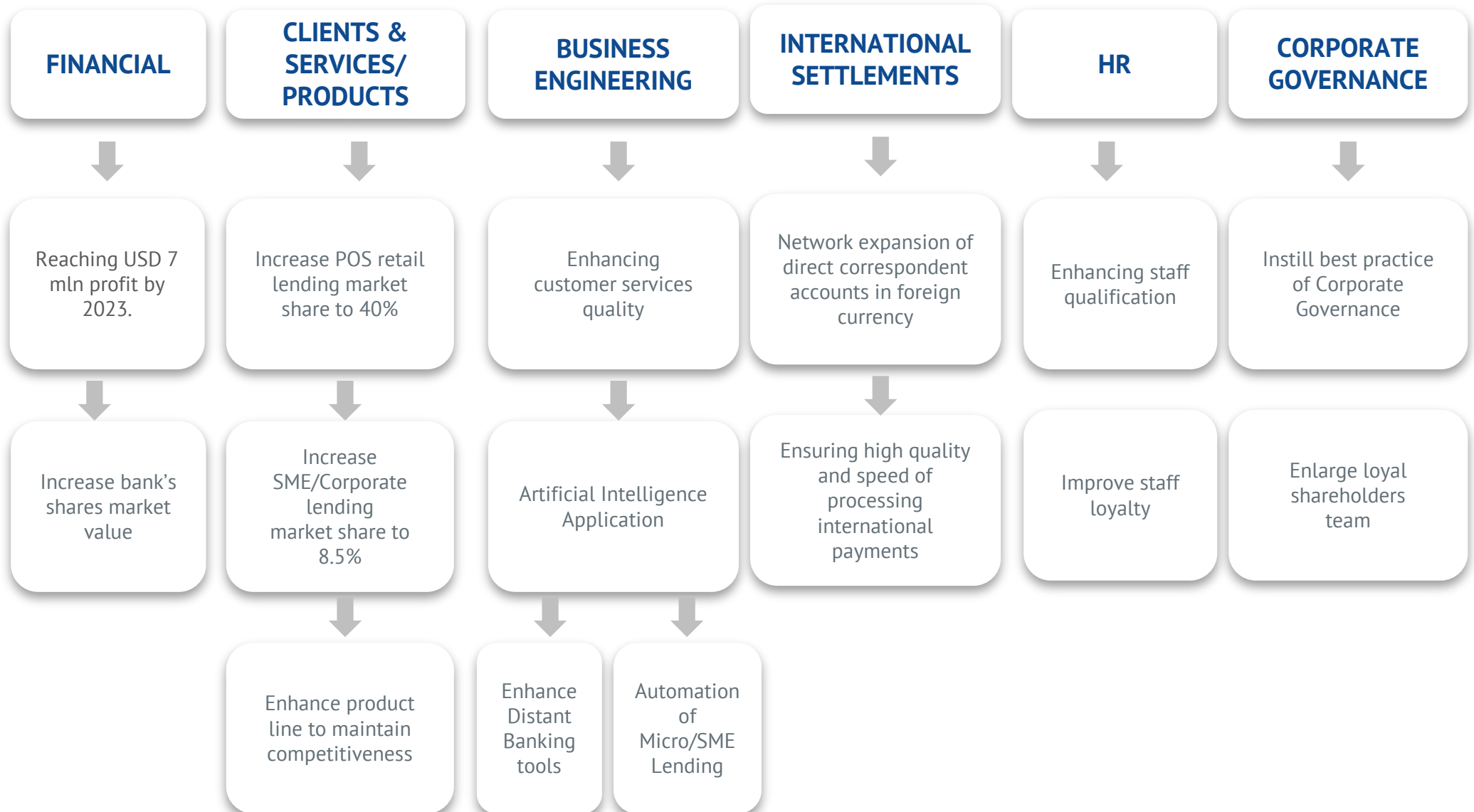
UNIBANK: SHAREHOLDING STRUCTURE



UNIBANK: CORPORATE GOVERNANCE



UNIBANK STRATEGIC GOALS 2021-2023



FORECAST FOR FINANCIAL POSITION AND P&L STATEMENT

FINANCIAL POSITION in mln USD

	A: 31/12/20	E: 31/12/21	E: 31/12/22	E: 31/12/23
Assets	456	553	571	580
Loan portfolio	305	318	335	329
Business portfolio	137	135	140	125
Retail portfolio	169	183	195	204
Liabilities	391	481	498	505
Deposits from customers	300	390	396	393

P&L STATEMENT in thousand USD

	A: 31/12/20	E: 31/12/21	E: 31/12/22	E: 31/12/23
Net interest income	19,234	20,672	22,587	24,613
Net fee and commission income	4,126	5,510	5,952	6,434
Operating income	28,103	31,917	35,049	37,858
Net provision from losses	- 11,073	- 9,929	- 10,751	- 12,265
Administrative expenses	- 16,184	- 19,184	- 20,711	- 21,744
Profit for the year after tax	457	1,448	2,533	3,156

UNIBANK: BOARD OF DIRECTORS



GAGIK ZAKARYAN

Co-founder Gx2 Capital Ltd
Cofounder/Board Chairman, Unibank OJSC,
Cofounder/Board Chairman, Unistream OJSC CB,
Board Chairman, RESO CJSC
Board Member of the Association of Russian Banks
Member of the Supervisory Board of National Banking Journal



GEORGE PISKOV

Co-founder Gx2 Capital Ltd
Cofounder/Board Member, Unibank OJSC,
Cofounder/Board Member, Unistream OJSC CB
Chairman at Protobase Laboratories,
Owner and Founder at MoneyTO



VARDAN ATAYAN

Board Member of “Unibank” OJSC, shareholder and
Board Chairman of “Unileasing” company
Board Member of “RESO” CJSC



HRAHAT ARZUMANYAN

Board Member of Unibank OJSC
Chairman of the Board of Directors
“Transstroybank” CJSC, Russia



EDUARD ZAMANYAN

Board Member of Unibank OJSC,
Armenia
Board member of National Bureau
of Credit Histories
Advisor to president “Globeksbank”



ARTEM KONSTANDIAN

Board Member of “Unibank” OJSC
Supervisory Board member of the MSP Bank
Chairman of the Board of Trustees of the “ANIV” Foundation for
Development and Support of Armenological Studies
Member of the Board of Directors of the Russian Agency
for Export and Investment Insurance
Board of Trustees Member Jurisdiction Armenia Foundation (RA)



DAVID PAPAZYAN

Board Member of Unibank OJSC,
General Director of Armenian National
Interests Fund

UNIBANK: EXECUTIVE BOARD



MESROP HAKOBYAN
Executive Board Chairman



GOHAR GRIGORYAN
Financial Director - Chief Accountant



ARARAT GHUKASYAN
First Vice-Chairman
of the Executive Board



GURGEN GHUKASYAN
Retail Business Promotion and Sales Director



OVSANNA ARAKELYAN
Vice-Chairman of the Executive Board,
Legal Service and Overdue
Liabilities Collection Director



DAVID PETROSYAN
Corporate Business Promotion and
Sales Director



ARTUR APERYAN
Operational services and information
systems Director

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