



# UNIBANK OJSC

Armenia Securities Exchange: UNIB  
Bloomberg: UNIB AY  
Reuters: UNIB

2022

# 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 December 31, 2021 : 480.14 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

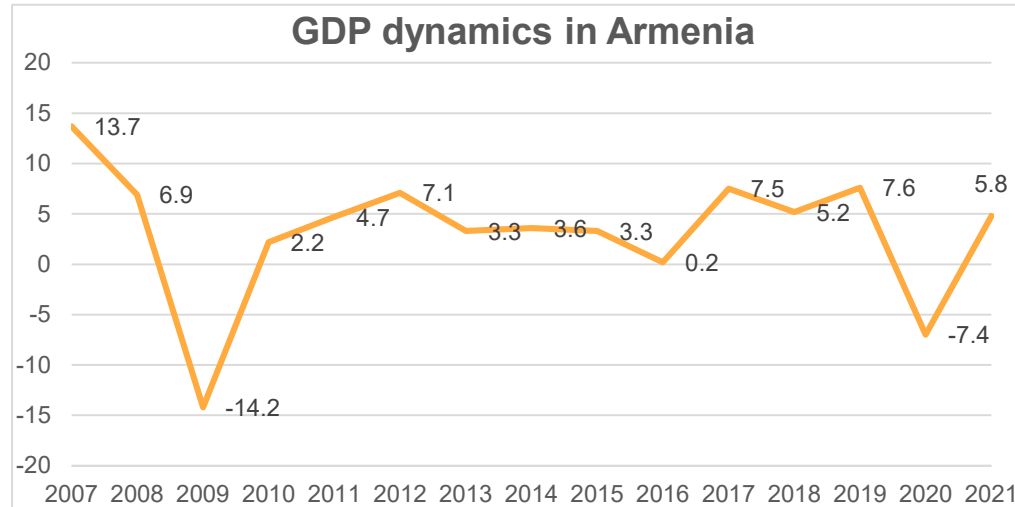
RA promotes foreign investments and follows an “open door” policy, including :

- 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



The International Monetary Fund (IMF) expects the Armenian economy will increase in 2022 by 4.5%

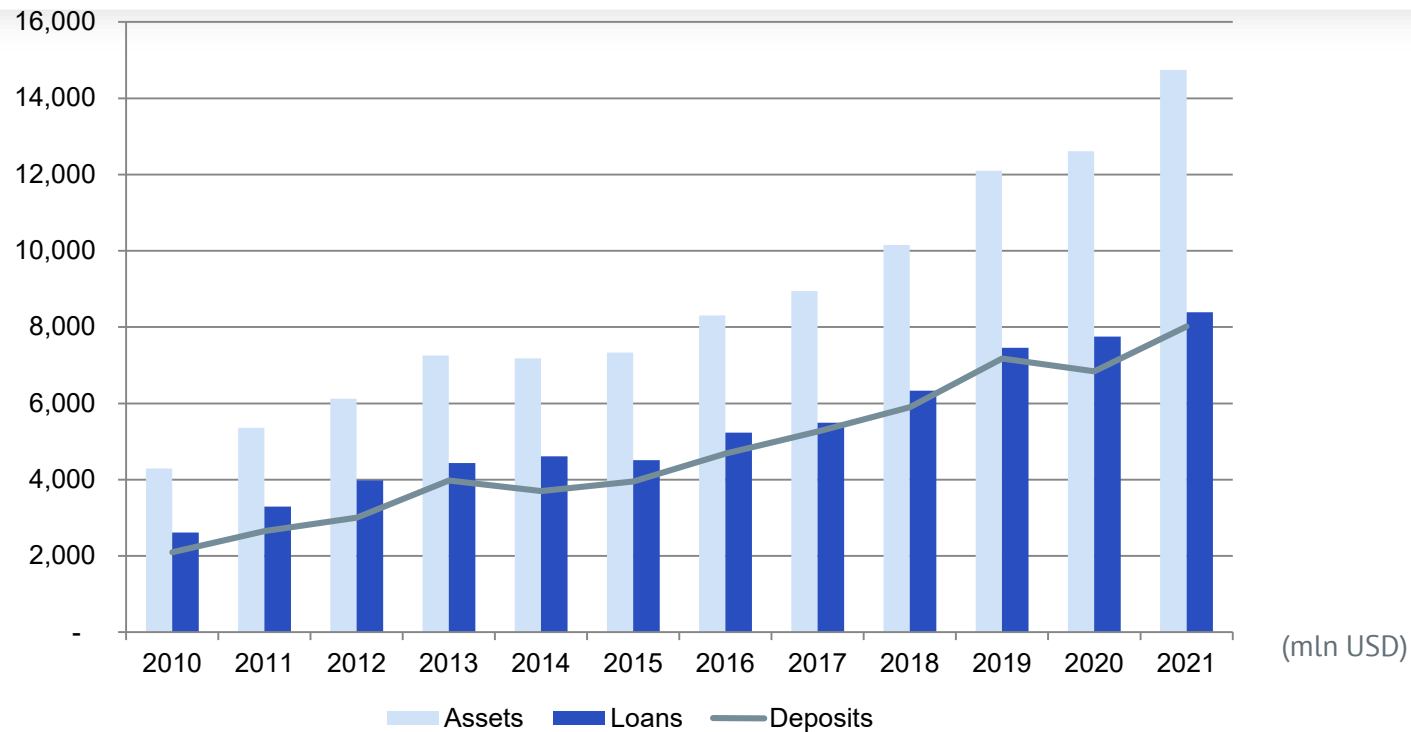
## MAIN CHALLENGES

- Stabilization of the macroeconomic and financial environment in Armenia after a crisis provoked by the Pandemic COVID-19 will reduce risks in the banking system
- The restore of the world's economic activity, including the opening of the borders and the resumption of labor migration, recovery of income from export and tourism, is supposed to accelerate remittances from abroad
- 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  
**325.000**  
customers

**Top 100**  
taxpayers list

## FULL SCALE BANKING SERVICES:

**Retail business**

Corporate business

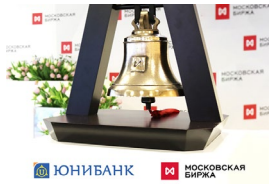
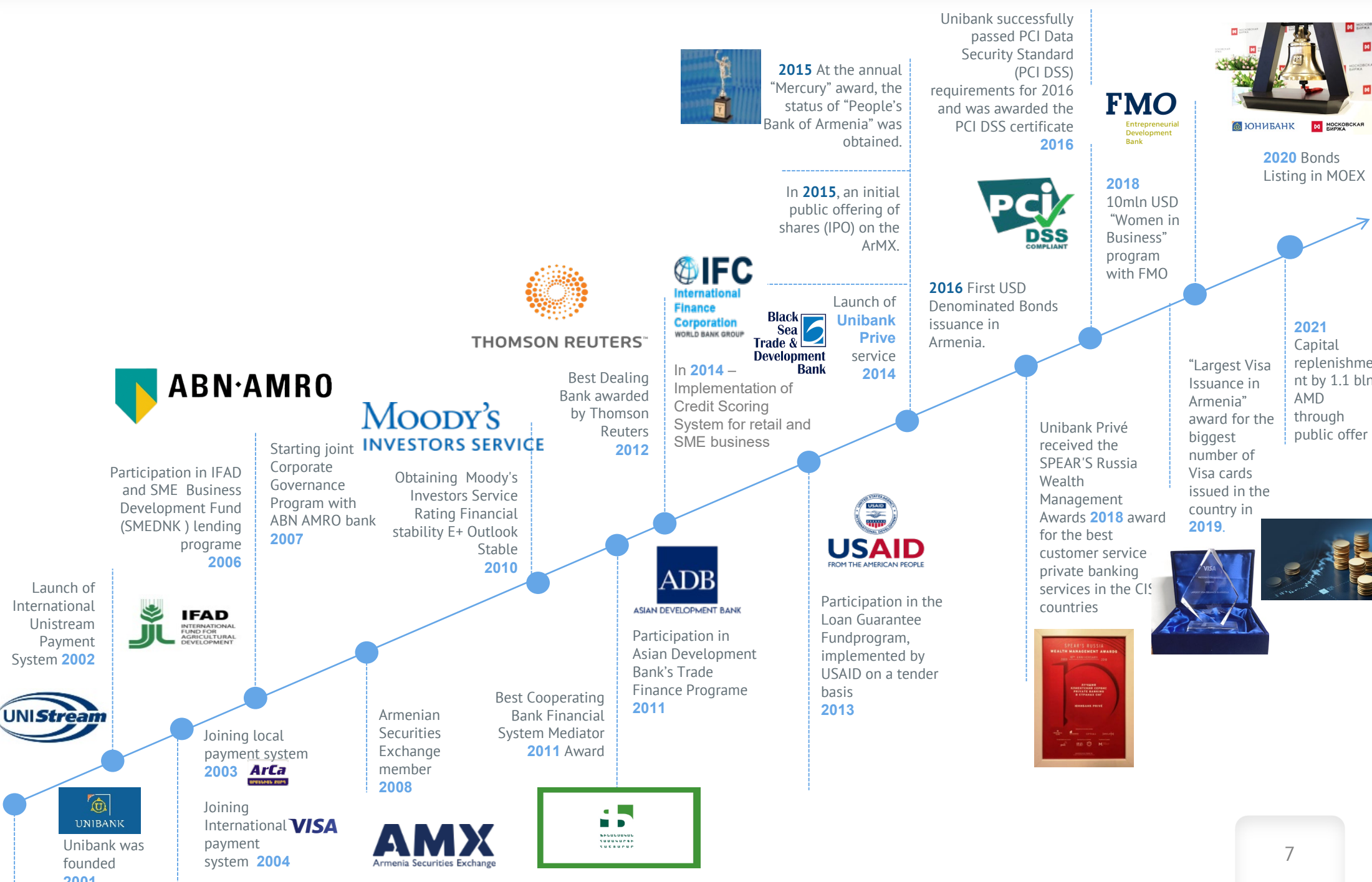
Private banking

International transfers

**Online & Mobile Banking**

Investment instruments

# UNIBANK MILESTONES

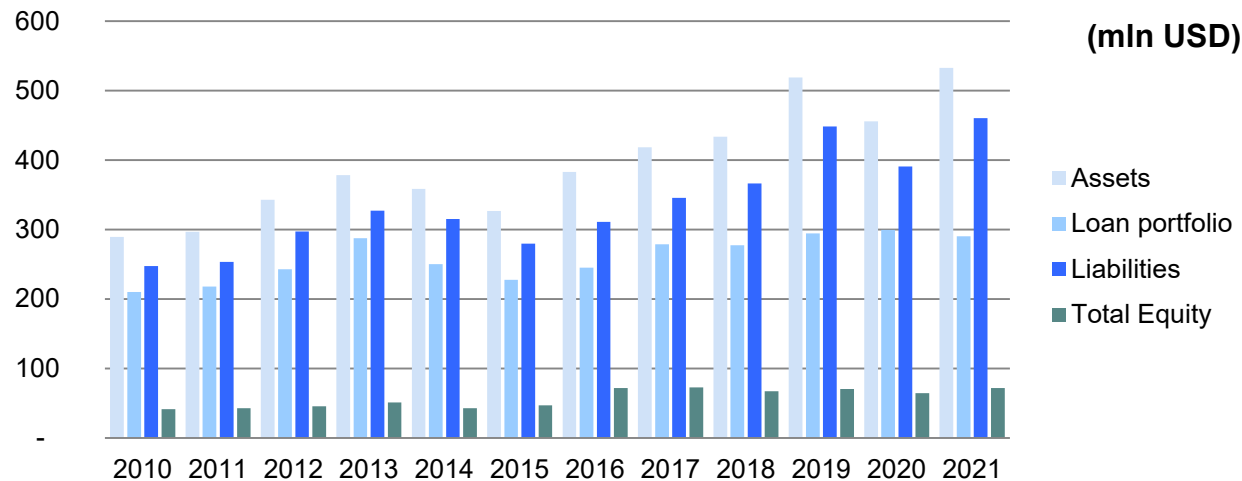


2020 Bonds Listing in MOEX

2021 Capital replenishment by 1.1 bln AMD through public offer



# UNIBANK: MAIN INDICATORS as of 31.12.2021



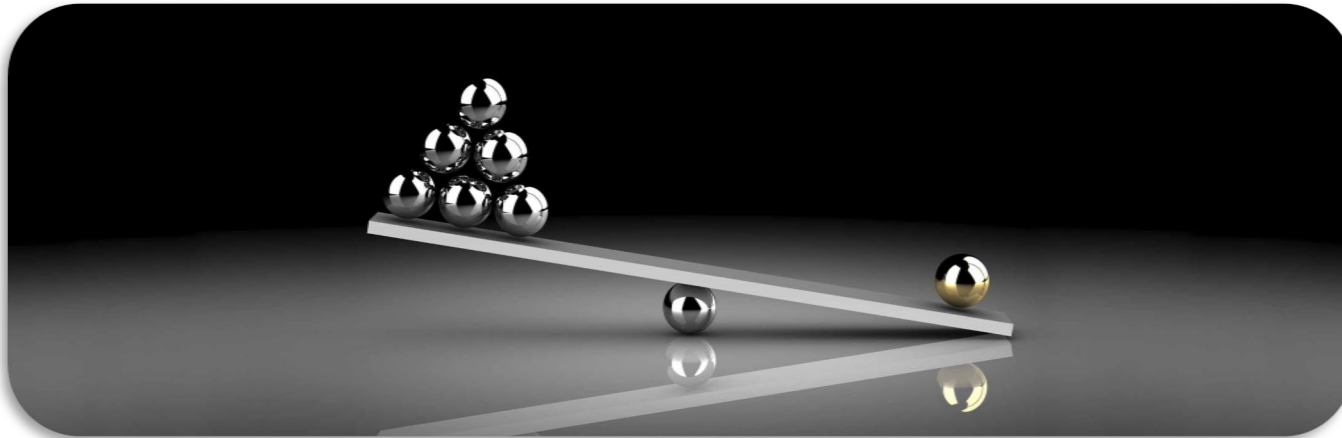
- Bank's assets - 533 mln USD
- Bank's credit investments - 290 mln USD
- Bank's liabilities - 461 mln USD
- Net profit stood at USD 0.8 mln, 82.9% higher the same period of 2020.

## Quarterly Highlights

- Bank's class B preferred shares successful placement and listing on AMX in the amount of 1.1 bln AMD
- Cooperation expansion with KfW bank and realizing a new credit program for SME businesses
- Bank's USD and AMD bonds successful placement and listing on AMX with a total volume of 5 mln USD and 250 mln AMD.
- Unibank was ranked among the list of banks with the best products for SMEs according to SME Banking Club
- Unibank was recognized as the best innovative member of the Armenian Stock Exchange for the first cross-listing at the Moscow Stock Exchange



# UNIBANK: COMPETITIVE ADVANTAGES



- Over **20 years** of progressive growth (a comprehensive package of corporate, investment and retail banking services)
- Public company, shares and bonds are placed on **Armenia Securities Exchange (AMX)**
- The first Armenian bank to list its bonds on the Moscow Exchange (MOEX). **Cbonds award 2021 for the best transaction in Armenia.**
- One of the leaders in the Retail loans segment in Armenia: **nearly 30% of the retail lending market**
- **STP Quality Award**, awarded by the Austrian Raiffeisen Bank International for the high quality and speed of processing international payments in 2020
- **55 branches** present in all key regions of the country
- Over **325.000** customers
- **Moody's** rating - **B2, Stable**
- Multifunctional **digital platform** and enhanced remote banking capabilities
- Well-established **corporate governance** system, professional management team

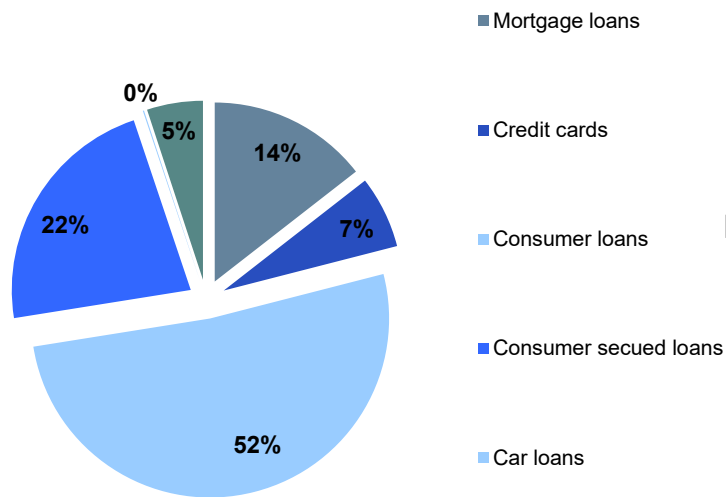
# UNIBANK: RETAIL BUSINESS DYNAMICS as of 31.12.2021

**LOAN PORTFOLIO STRUCTURE**  
293 mln USD



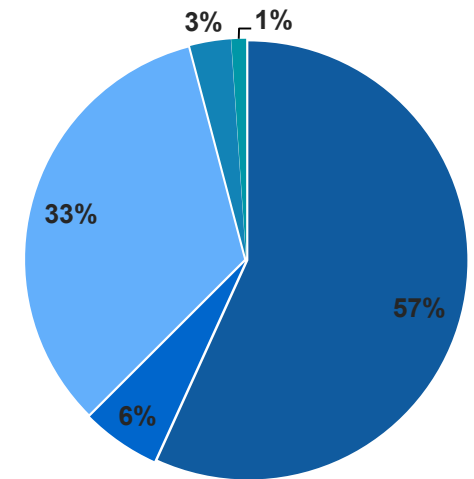
- Retail (164 mln USD)
- Business (129 mln USD)

**RETAIL LOAN PORTFOLIO STRUCTURE**  
164 mln USD



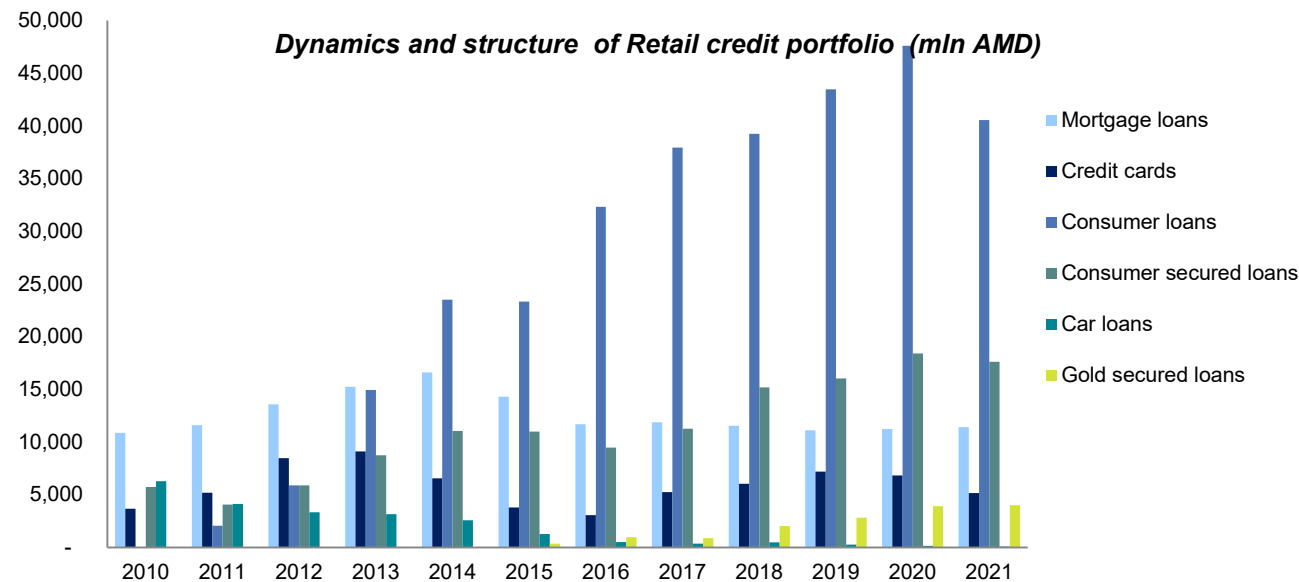
- Mortgage loans
- Credit cards
- Consumer loans
- Consumer secured loans
- Car loans
- Gold secured loans

**POS LOANS STRUCTURE**  
37 mln USD



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

# UNIBANK: RETAIL BUSINESS DYNAMICS as of 31.12.2021

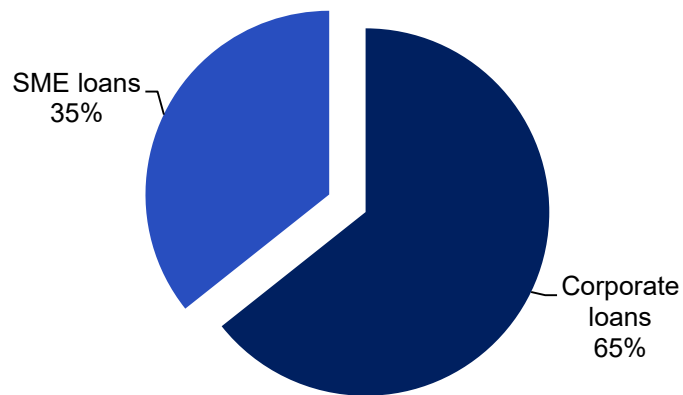


Source: Bank's resources

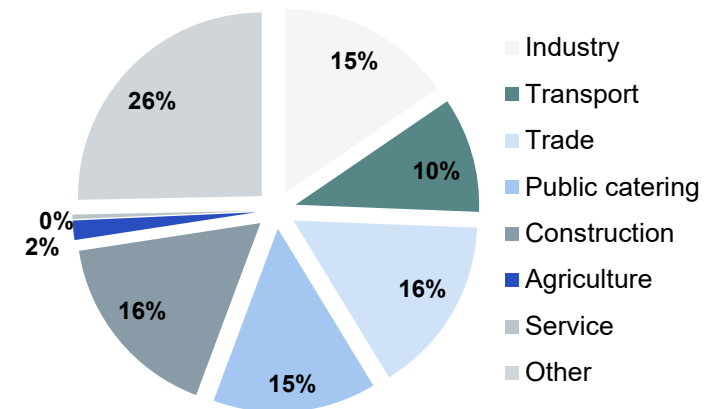
- **Processing and credit conveyor** on its own CRM platform (processes over 400 thousand applications per year)
- Scoring model using **Artificial Intelligence technology (AI)**
- **Flexibility for the integration** of new retailers (low costs for connecting, cloud technology does not limit the number of points)
- **Wide network** (over 400 sales points) also owing to the partner sales points
- Covers approximately **30% of the Armenian market**
- Risk of loss - **6% of the portfolio**

# UNIBANK: BUSINESS LOAN PORTFOLIO as of 31.12.2021

### Business loan portfolio structure



### Business loan portfolio by sectors (129 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 programs

- 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

*Unibank was chosen as one of the banks in 2021 having the most efficient products for SME according to SME Banking Club*



This is to certify that  
**UNIBANK (Armenia)**

was awarded in the SME Banking Club's list  
SME Working Capital Loans 2021  
CIS & Caucasus

# ACTIVE COOPERATION WITH MAJOR PAYMENT SYSTEMS, CORRESPONDENT BANKS



Principal member of **Master Card Europay**

Principal member of **Visa International payment system**



Shareholder of **SWIFT International Financial Telecommunication System**

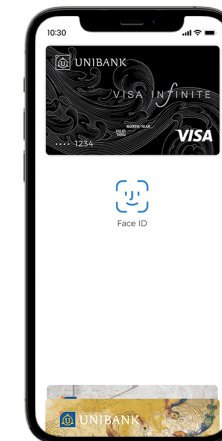


Full member and shareholder of **“ArCa” processing Company**



Visa International payment system has awarded Unibank the **"Highest cross-border share in Visa Business volume 2021"** award, highly appreciating the outcomes of a successful partnership.

## Unibank Brings Apple Pay to Customers



### CONTACTLESS PAYMENTS

Unibank Visa card with Apple Pay is the easy secure and private way to pay



# 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, in July 2021, ISIN - AMUNIBB2DER6*

## Portfolio in circulation

Ticker	List	Cur.	Quantity	Price	Maturity	Coupon	Coupon payments	Total Volume
AMUNIBB29ER1	Bbond	USD	10,924	100	20.03.2022	5.00%	Quarterly	1,092,400
AMUNIBB2AER2	Bbond	USD	10,000	100	15.11.2022	5.25%	Quarterly	1,000,000
AMUNIBB2BER0	Bbond	USD	50,000	100	01.09.2023	5.25%	Quarterly	5,000,000
AMUNIBB2CER8	Bbond	AMD	50,000	10,000	10.12.2022	10.50%	Quarterly	500,000,000
AMUNIBB2DER6	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
AMUNIBBFER1	Bbond	AMD	100,000	10,000	20.08.2023	11%	Quarterly	1,000,000,000
AMUNIBB2EER4	Bbond	AMD	100,000	10,000	05.05.2023	10.50%	Quarterly	1,000,000,000
AMUNIBBFER1	Bbond	AMD	100,000	10,000	20.08.2023	11%	Quarterly	1,000,000,000
AMUNIBB2EER4	Bbond	AMD	100,000	10,000	05.05.2023	10.50%	Quarterly	1,000,000,000

Planned issue Q1/2022

## 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
Type	Nominal Coupon Bonds
Issue Volume	USD 5 mln
Maturity	min. 36 months
Interest rate	4.5-4.8%
Coupon Periodicity	3 months
Stock Market	Armenia Securities Exchange (AMX)
Account operator/Broker	Unibank OJSC

# UNIBANK: SUBORDINATED LOAN

<b>Currency</b>	USD/EUR
<b>Amount</b>	10 mln
<b>Term</b>	5.5 – 10 years
<b>Rate (USD)</b>	5.5 years – 6% 6 years – 6.5% 7 years – 7% 8 - 10 years – 8%
<b>Rate (EUR)</b>	5.5 years – 3% 6 years – 3.5% 7 years – 4% 8 - 10 years – 5%
<b>Legislation</b>	Republic of Armenia <a href="https://www.cba.am/EN/laregulations/Regulation_2.pdf">https://www.cba.am/EN/laregulations/Regulation_2.pdf</a> (see Appendix 10)
<b>Potential Buyer</b>	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

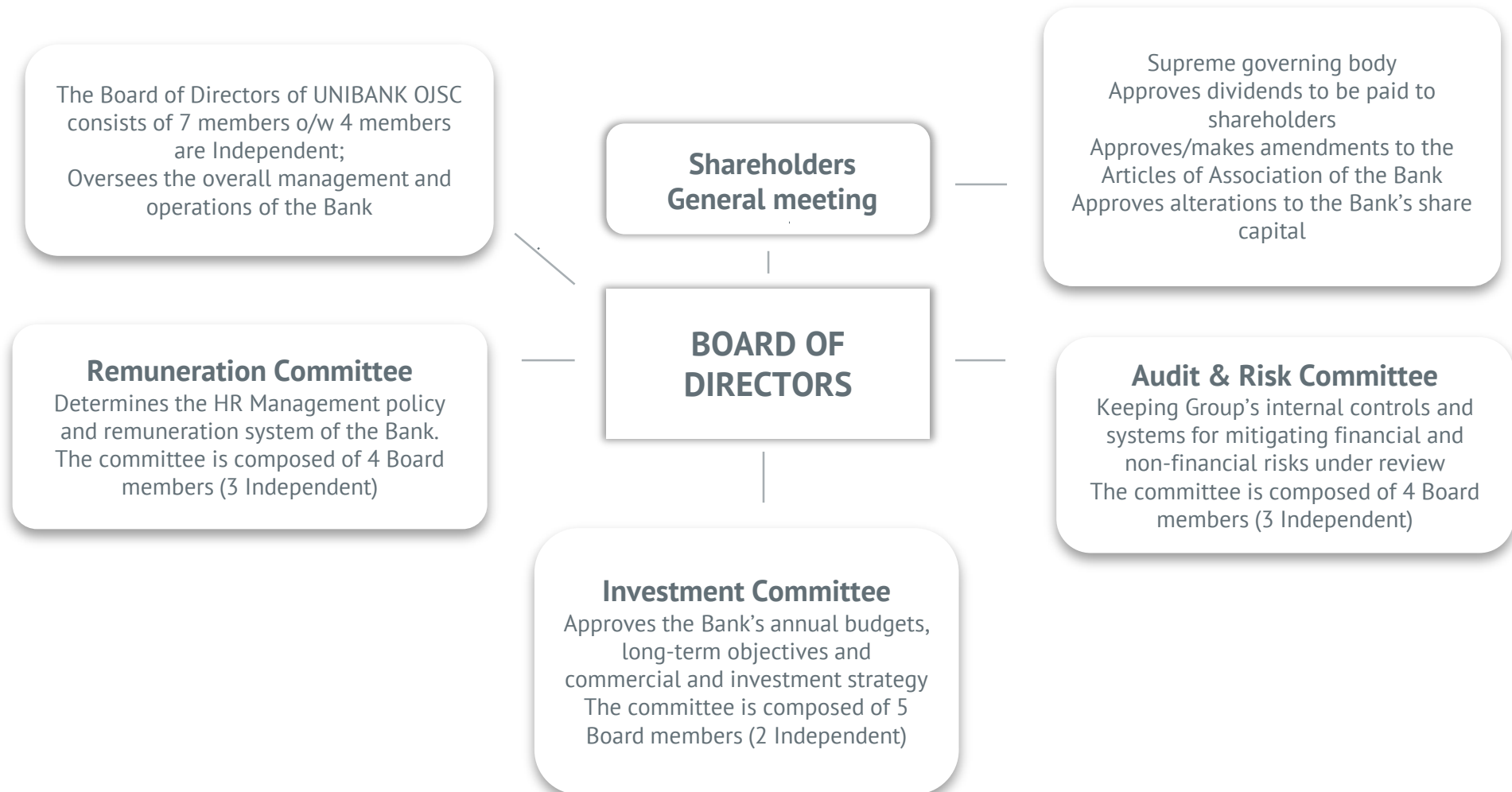
## THE PRINCIPLES ON WHICH UNIBANK IS ORIENTED



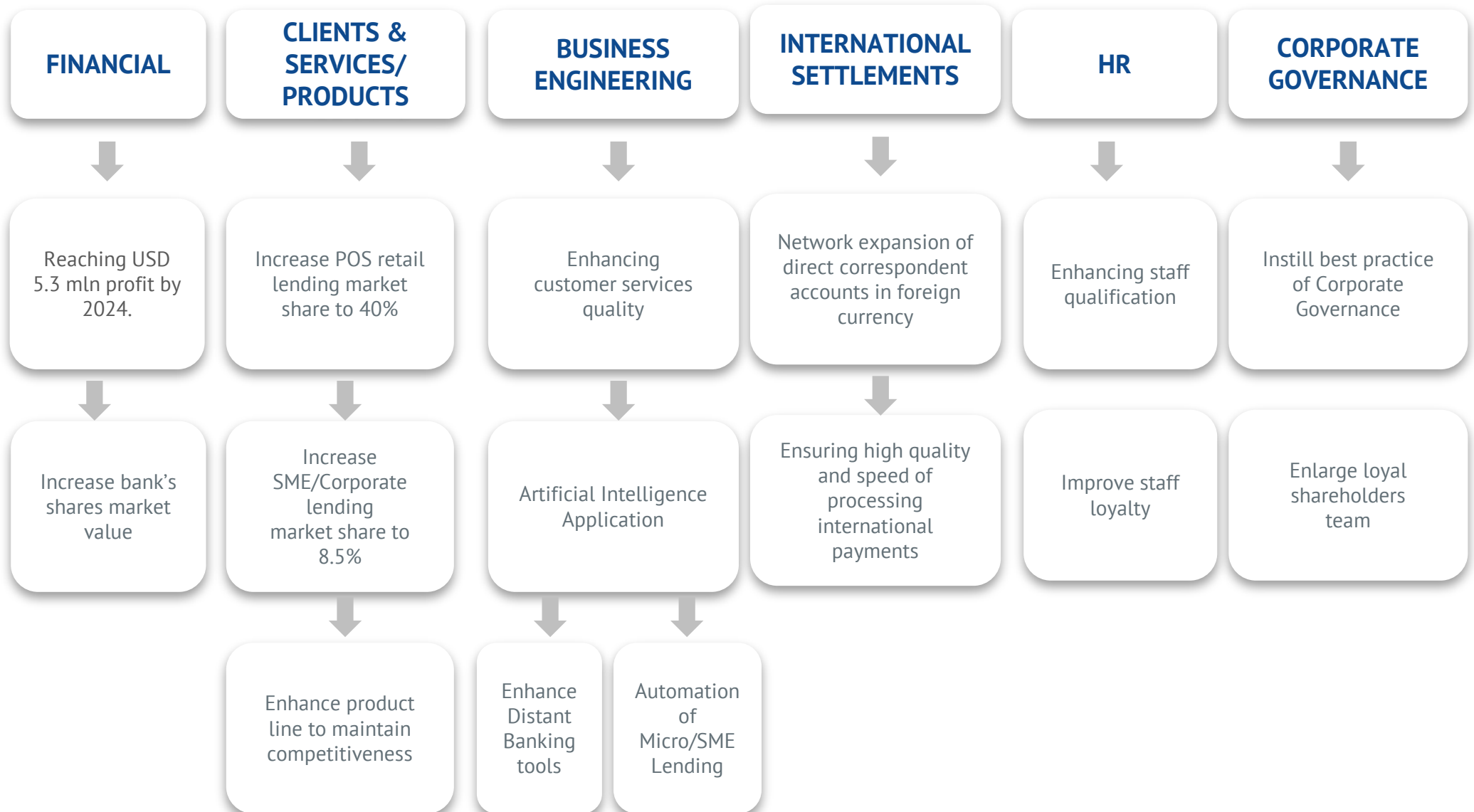
# UNIBANK: SHAREHOLDING STRUCTURE



# UNIBANK: CORPORATE GOVERNANCE



# UNIBANK STRATEGIC GOALS 2022-2024



# FORECAST FOR FINANCIAL POSITION AND P&L STATEMENT

## FINANCIAL POSITION in mln USD

	A: 31/12/21	E: 31/12/22	E: 31/12/23	E: 31/12/24
<b>Assets</b>	533	559	578	592
Loan portfolio	293	321	337	352
Business portfolio	129	137	142	151
Retail portfolio	164	185	195	201
<b>Liabilities</b>	461	486	504	515
Deposits from customers	400	402	411	421

## P&L STATEMENT in thousand USD

	A: 31/12/21	E: 31/12/22	E: 31/12/23	E: 31/12/24
Net interest income	21,220	18,118	23,112	25,896
Net fee and commission income	7,781	7,056	6,824	6,898
Operating income	38,094	32,373	36,250	39,156
Net provision from losses	- 17,464	- 9,920	- 11,452	- 9,975
Administrative expenses	- 19,477	- 21,219	- 20,619	- 22,681
<b>Profit for the year after tax</b>	835	2,069	3,427	5,329

# 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

# JOIN OUR SUCCESS

## **CORRESPONDENT BANKS**

LANDESBANK BADEN-WUERTTEMBERG

BANKA POPOLARE DI SONDRIO

EURASIAN DEVELOPMNET BANK

BANK OF GEORGIA

EXIMBANK OF RUSSIA

JSC ROSSELKHOZBANK

CB UNISTREAM

VTB BANK (PJSC)

ALFA BANK

TRANSSTROIBANK

TRANSKAPITALBANK



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