



UNIBANK

Unibank - Investment opportunity in Armenia

Armenia NASDAQ OMX: UNIB
Bloomberg: UNIB AY
Reuters: UNIB

2017
1

Republic of Armenia: Investment map

Armenia: Main Indicators

Full name – The Republic of Armenia

Population - 3,044,852

Capital – Yerevan Area – 29.743 sq. km (18.481 sq. miles)

Major languages –Armenian (official), Russian (common), English (growing)

Life expectancy: male - 69.6, female - 77.3

Monetary unit – Armenian dram (AMD)

Exchange rate - As of Dec 31,2017: 484.1 AMD/USD

Sovereign Country Ratings: Fitch – **B+**, stable (December 18, 2017)

Moody's – **B1** , stable (Sep 8, 2017)

Global competitiveness report 82 (World Economic Forum)

Human development index 85 (UNDP)

Ease of Doing Business Rank: 38

Economic Freedom Index: 33

Main segments of economy

Agribusiness , Mining , Tourism

Health & Pharma, IT Engineering

Jewelry, Watchmaking & Diamonds

Investment regime

RA promotes foreign investments and operates 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.

Unibank key facts

- ◆ Unibank was found **in 2001**
(Licence N81,09.10.2001
Central Bank of Armenia)
- ◆ Structured branch network- key regional coverage
46 branches
- ◆ First bank in RA listed its shares through an IPO at
**Nasdaq
OMX
Armenia**
- ◆ Moody's Investors Service rating
**B2, Outlook -
Stable**
- ◆ Market Cap.
USD 98 mln
- ◆ Over
360,000
customers
- ◆ **Top
100**
taxpayers list

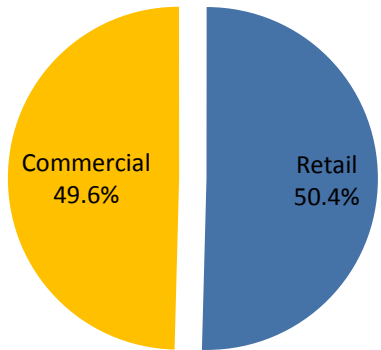
Full scale banking services: Retail, Corporate and Private Banking, International and Domestic transfers, Cards, Internet Banking

Unibank's Competitive Advantage

- Widely recognized brand among consumers
- Expanded branch network - 46 retail offices (4th largest), 105 PoS outlets (the largest), 132 PoS terminals and 116 ATMs (5th largest)
- Shares and bonds of the Bank are traded at NASDAQ OMX Armenia
- Strong key shareholders and professional management
- One of three VISA processing centers in Armenia (other banks use local ARCA processing center)
- Proprietary in-house IT solutions with continuous improvement
- Loan application Scoring system
- Flexible interest and tariff policy
- Transparent and fair reporting policy
- Flexibility to integrate new retail and SME business partners fast

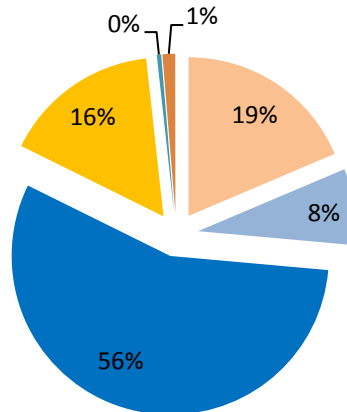
Unibank Retail Business: Dynamic Growth

Loan portfolio structure as of 31.12.2017



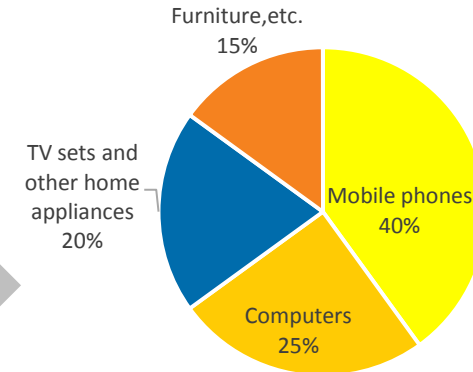
Source: Company data

Retail loan portfolio structure



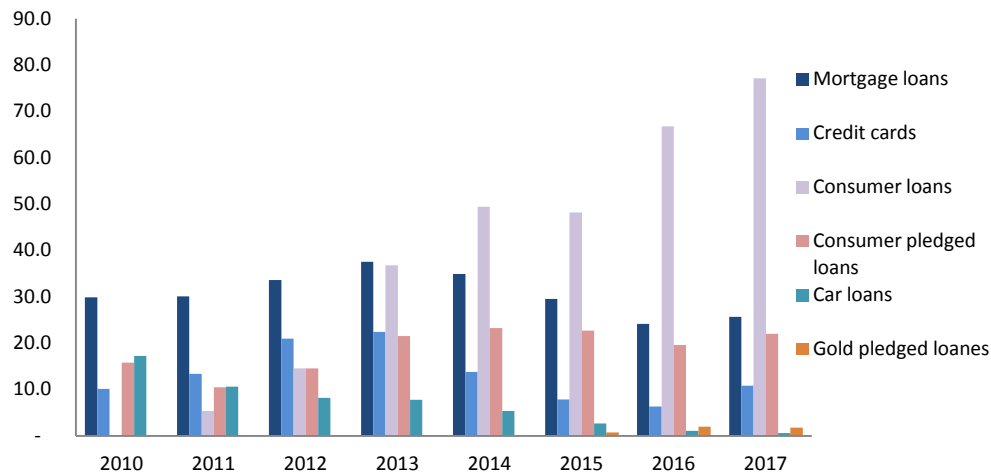
Source: Company data

PoS loans structure



Source: Management estimate

Retail loan portfolio dynamics as of 31.12.2017 (\$mln)



- Unibank plans to grow consumer loans with a focus on PoS loans
- POS loans customers grew by more than 10 times since 2011
- Volume of Unibank's PoS loans cover nearly 30% of the market
- Unibank's CRM culture allowed to create a database with more than 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's Market makers overview

Market maker (Armenbrok Investment company) increases trading liquidity on the market

Ticker	Cur.	Quantity out.	Maturity	Coupon(%)	YTM	Coupon rate
UNIBB1	USD	50,000	08.04.2018	8.00%	4.95%	Quarterly
UNIBB3	USD	50,000	11.09.2020	5.75%	5.40%	Quarterly
UNIBB2	AMD	25,000	23.11.2018	13.50%	11.50%	Quarterly

Currently Unibank continues issuing bonds as an alternative funding tool

Ticker:	UNIB
Market Cap (mln USD):	98*
Shares Outstanding, mln:	204.9*
Free Float:	6.80%
Trading Value (thous USD):	22.62
Number of Securities traded:	47,496
Last Price (USD):	0.48

*including preferred shares

As of 31.12.2017 Market Maker's Equity Flashnote indicates the following growth in operational results of the Bank in comparison with 4Q 2016:

Operating income	46.03%
Assets	8.97%
Interest earning assets	16.16%
Loan portfolio	14.53%
Liabilities	11.18%
Total income	10.73%
Interest income	26.74%

Unibank: Board



Gagik Zakaryan

Cofounder/Board Chairman, Unibank,
Cofounder/Board Chairman, Unistream
Bank,
Board Member of the Association of
Russian Banks Member of the
Supervisory Board of National Banking
Journal
Over 24 years of banking experience



George Piskov

Cofounder/Board Member, Unibank
Cofounder/Chairman of Protobase
Laboratories,
Cofounder/Board Member of the
Unistream Bank
Over 24 years of banking
experience



Eduard Zamanyan

Board Member of Unibank,
Armenia, Board Member of
“Unistream” OJSC CB
Over 19 years of banking
experience



Hrahat Arzumanyan

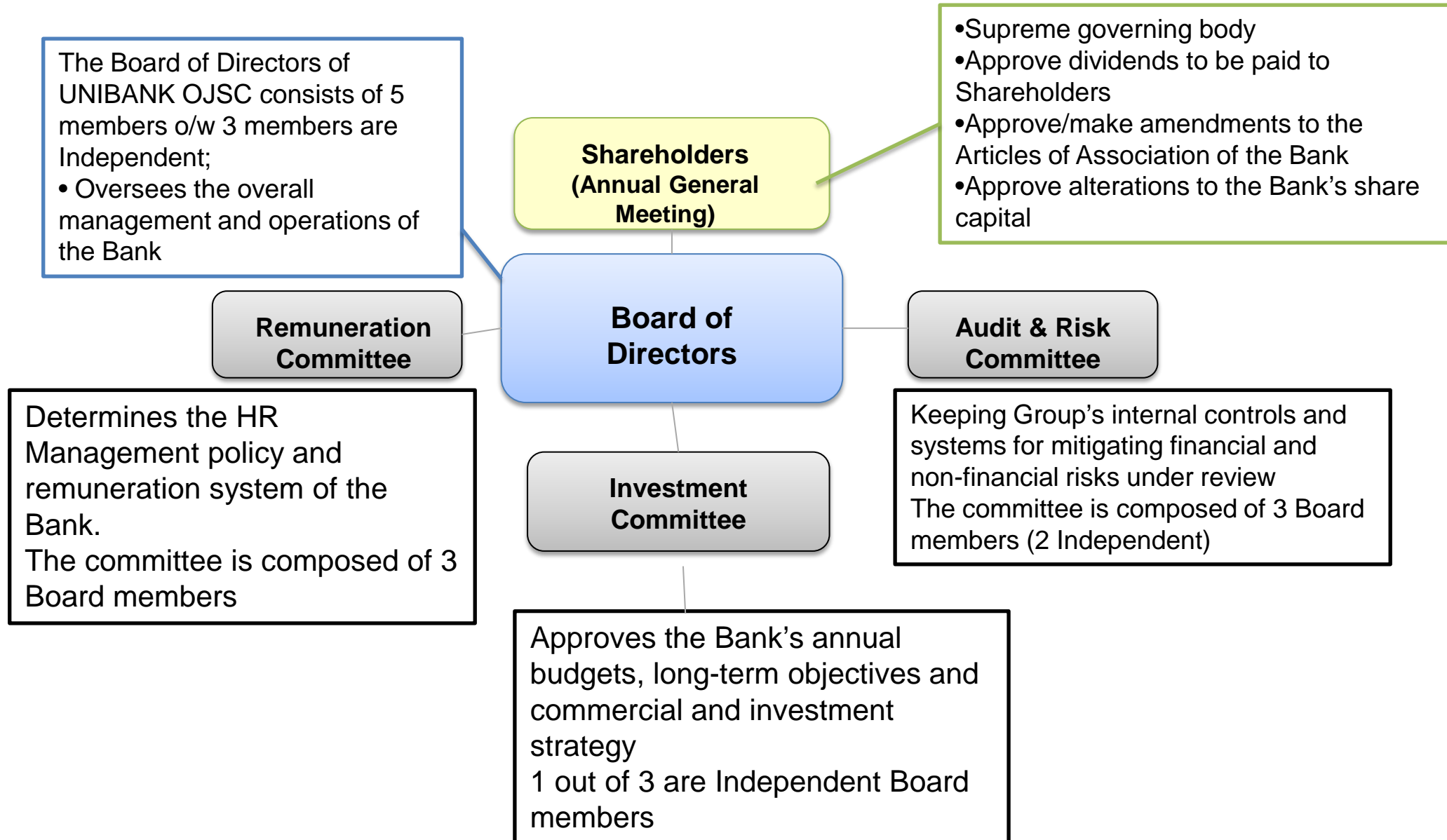
Board Member of Unibank
Chairman of the Board of Directors
“Transstroybank” CJSC, Russia
Over 19 years of banking experience



David Papazyan

Board Member of Unibank, Armenia
Independent capital Manager
Over 12 years of banking experience

Unibank: Corporate Governance



Unibank Strategic Goals 2017-2020



Unibank's Priorities

Client orientated approach:

Maintaining competitive service advantage via innovative operational and IT solutions

Professional team and motivated staff:

Provide equal career development and personal growth to maintain staff loyalty

Improve technology base:

A step ahead of the main competitors

Financial performance: Improve profitability ratios through expenditure optimization and adherence to risk reward principle

Corporate Governance: Effective, fair and transparent corporate culture for the benefit of the shareholders

Corporate and Social Responsibility: Contribute to the society through CSR projects and initiatives.

Unibank Forecast for 2018-2019

Forecast for financial position

in thousand USD	31/12/17	31/12/18	31/12/19
Assets	419,791	411,641	436,379
Credit portfolio	279,456	305,399	328,940
Business portfolio	137,968	151,804	164,727
Retail portfolio	141,488	153,596	164,212
Liabilities	346,277	336,188	355,825
Treasury liabilities	65,981	72,040	66,978
Deposits from customers	276,558	259,640	285,050

Unibank Forecast for 2018-2019

Forecast for P&L statement

in thousand USD	31/12/17	31/12/18	31/12/19
Net interest income	21,792	24,779	28,274
Net fee and commission income	4,985	4,969	5,793
Operating income	26,778	29,748	34,067
Net provision from losses	(12,246)	(13,297)	(12,963)
Administrative expenses	(13,511)	(14,027)	(14,728)
Profit for the year after tax	677	1,939	5,101

Join our success

Unibank Investor relations

m. hambardzumyan@unibank.am
ir@unibank.am
www.unibank.am
www.corp.unibank.am,
www.prive.unibank.am

12 Charents St., #53, 1-5, Yerevan 0025,
Republic of Armenia
Phone: (+37410) 59 22 59
Fax: (37410) 55-51-40
E-mail: unibank@unibank.am,

