



UNIBANK

# UNIBANK LOCAL & INTERNATIONAL EXPERTISE IN ARMENIA

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

2018

# REPUBLIC OF ARMENIA INVESTMENT MAP

## Armenia: Main indicators

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**Full name** – The Republic of Armenia

**Population** - 3,044,852

**Area** – 29.743 sq. km (18.481 sq. miles)

**Major languages** – Armenian, Russian, English

**Life expectancy:** male 70.9, female - 78.6

**Monetary unit** – Armenian dram (AMD)

**Exchange rate** - As of June 30,2018 : 482.24 AMD/USD

### **Sovereign Country Ratings:**

**Fitch** – B+, positive (2018)

**Moody's** – B1 , positive (2018)

**Global competitiveness report:**82 (World Economic Forum)

**Human development index:** 84 (UNDP)

**Ease of Doing Business Rank:** 47

**Economic Freedom Index:** 44

**Basel AML Index 2017 Score (FATF Rating ): 4.44, Ranking: 134**



# REPUBLIC OF ARMENIA INVESTMENT MAP

## Investment regime

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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

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Agriculture

Mining

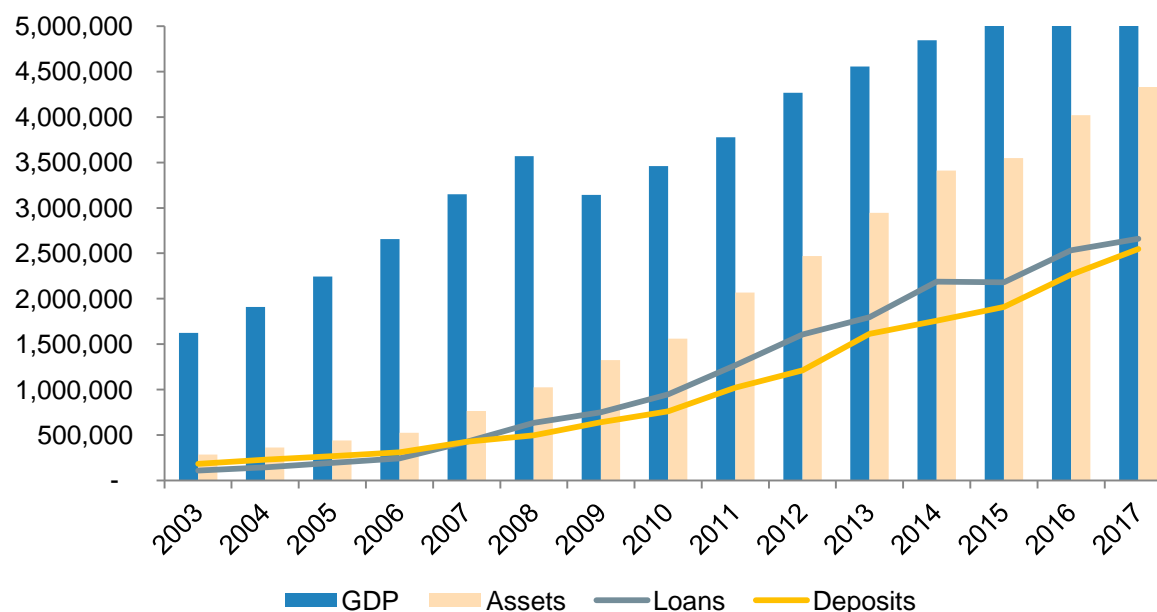
IT Engineering, Research & Development

Tourism

Health & Pharma

Jewelry & Precious stones

# Armenian Banking Sector Background



## Improving Growth Prospects:

Banks' performance benefits from continued healthy economic growth, driven by increasing exports, improving domestic demand and relatively stable currency.

## Strong Capital Buffers:

The sector's regulatory CAR improved to 20% at end-2017 vs. 14.5% at end-2014. Armenian banking system has one of the highest CARs in the region.

## Sector consolidation:

The sector recapitalization process triggered M&A activity with the number of banks reducing to 17 from 21 in 2016. Foreign ownership remains high (above 50%)

# UNIBANK: KEY FACTS

◆ Unibank was established  
**in 2001** (license N 81,  
09.10.2001, Central Bank of Armenia)

◆ Structured branch  
network - key regional  
coverage  
**46 branches**

◆ First bank in RA that listed  
its shares through an IPO  
at

**Nasdaq OMX  
Armenia**

◆ Moody's Investors  
Service rating  
**B2, Stable**

◆ Market Cap.

**USD 98 mln**

◆ Over  
**388.000**  
customers

◆ **Top 100**  
taxpayers list

## **Full scale banking services:**

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Retail, Corporate, Private, International, Online & Mobile Banking

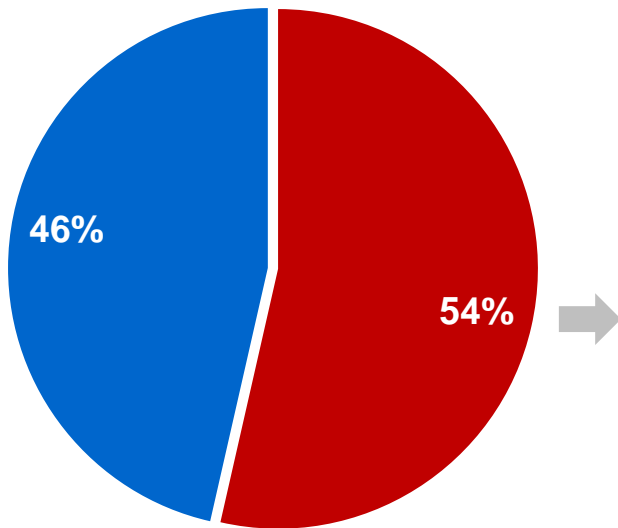
# UNIBANK'S COMPETITIVE STRENGTHS

- Widely recognized brand among customers in Armenia and abroad
- Expanded branch network - 46 retail offices (7th largest), 105 PoS outlets (the largest), 132 PoS terminals and 116 ATMs (5th largest)
- In top 3 banks by POS lending in Armenia
- Shares and bonds of the Bank are traded at NASDAQ OMX Armenia
- Strong key shareholders and professional management
- International business development
- High scale Private banking
- One of three VISA processing centers in Armenia
- Proprietary in-house IT solutions
- Credit conveyor based on CRM system

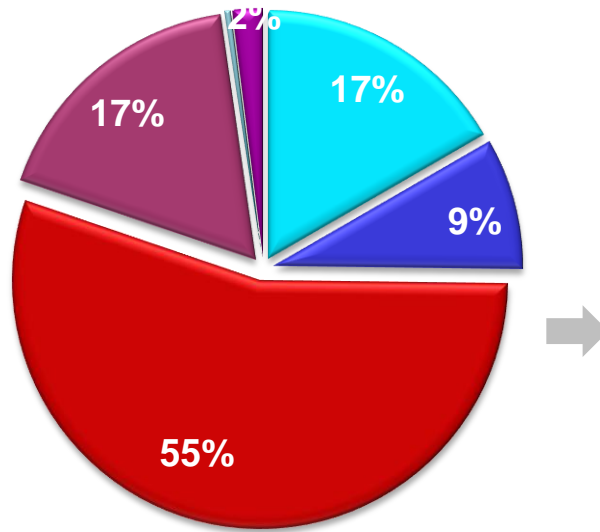
# UNIBANK

## RETAIL BUSINESS DYNAMICS

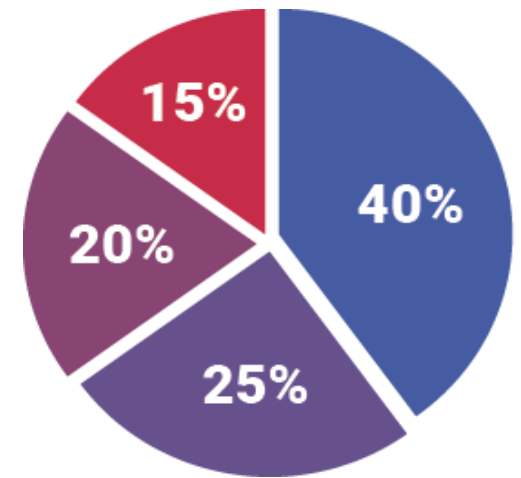
Loan portfolio structure



Retail loan portfolio structure



PoS loans structure



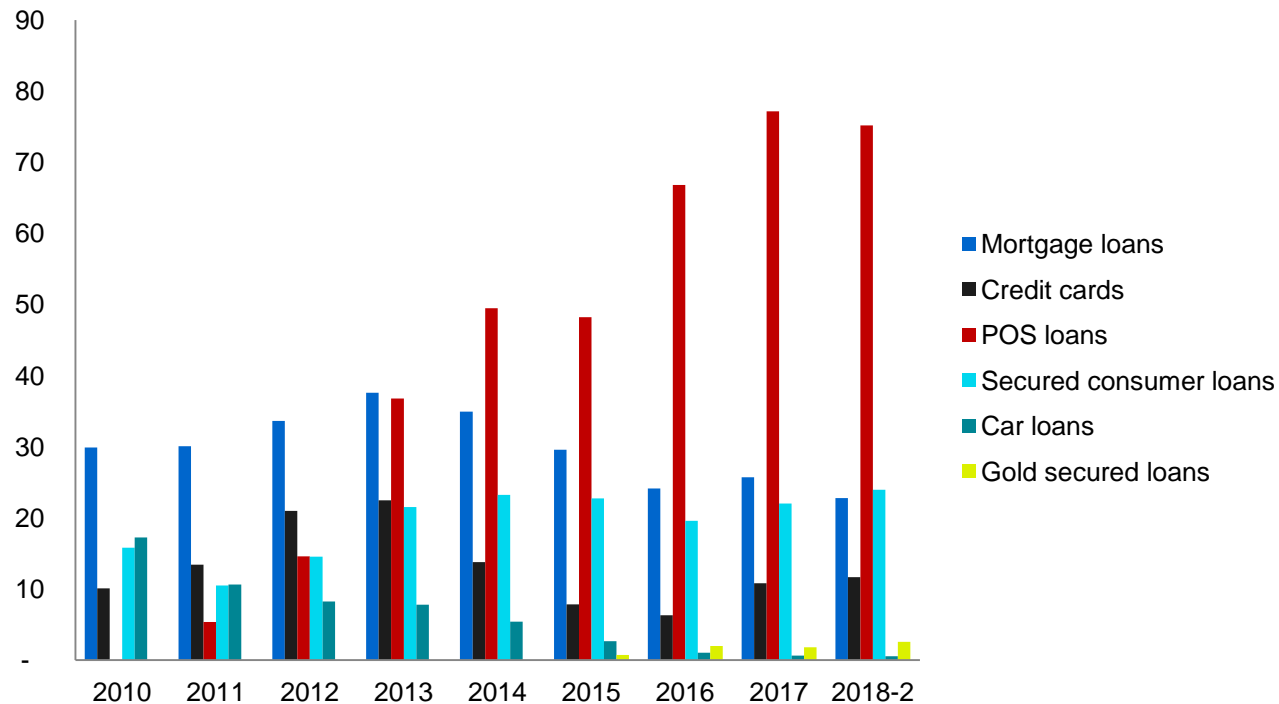
- SME
- Retail

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

- Mobile phones
- Computers
- Home appliances
- Furniture

# RETAIL BUSINESS DYNAMICS

Retail loan portfolio dynamics (mln USD)



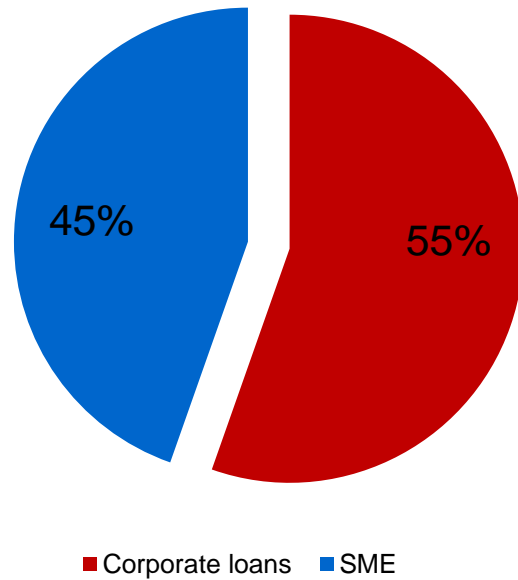
Source: Bank resources

- 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 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

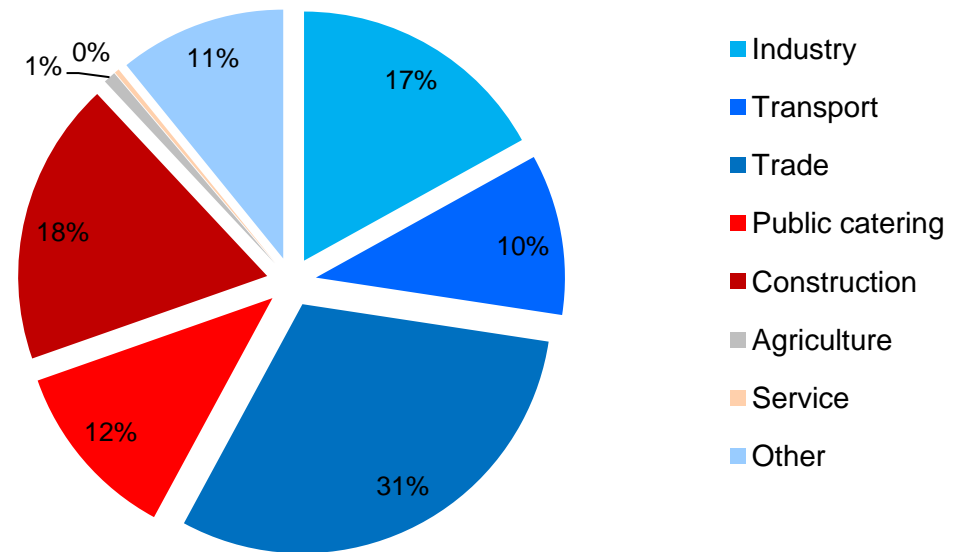


# UNIBANK SME FINANCING

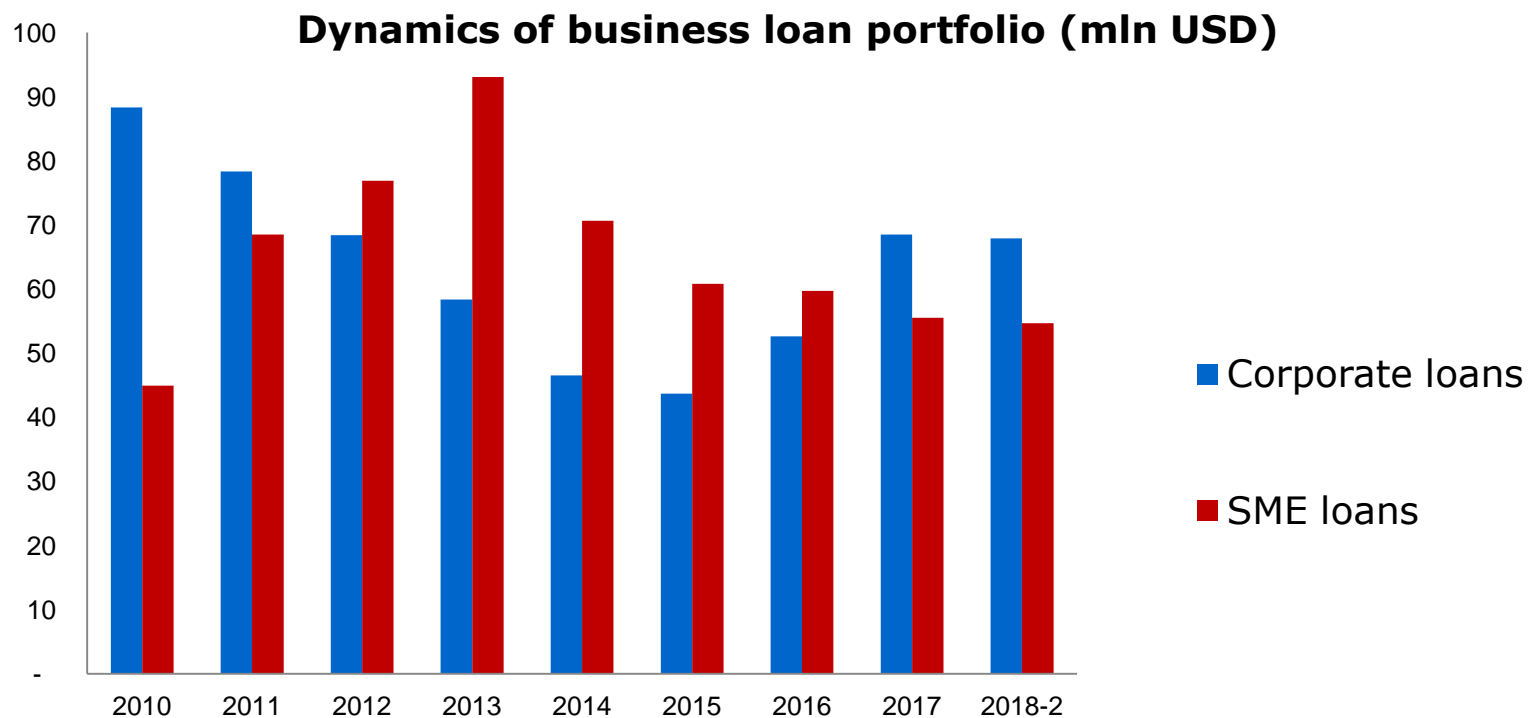
Commercial portfolio structure as of 30.06.2018



SME portfolio by sectors as of 30.06.2018



# DYNAMICS AND STRUCTURE OF BUSINESS LOAN PORTFOLIO



## Selected sources for SME and trade financing



# MOODY'S RATING AGENCY'S OVERVIEW

<b>Domicile</b>	<b>Yerevan, Republic of Armenia</b>
Long Term Deposit	B2
Long Term Dept	Not assigned
Outlook	Stable
Type	LT Bank Deposits – Fgn Curr

## **Credit strengths**

- Expansion of retail lending and a significant increase in commissions support stable profitability
- The liquidity buffer is sufficient, the funding base is diversified

## **Factors, that could lead to an upgrade**

Continuous improvement of asset quality, profitability and capitalization that will have a positive impact on the Bank's rating

# Unibank's Market maker's overview



**Market Maker(investing company Armenbrok ) increases the securities liquidity in the market**

**30.06.2018 Market Maker's Equity Flashnote indicates the following growth in operational results of the Bank in comparison to 2Q 2017:**

Ticker:	UNIB	Operating income	11.30%
Market Cap (mln USD):	98*	Loan portfolio	0.98%
Shares Outstanding, mln:	204.9*	Deposits	7.98%
Free Float:	6.80%	Interest income	18.04%
Last Price (USD):	0.48	Net profit	251.32%
Target Price (USD):	0.52		

\* Including preferred shares

# UNIBANK: FOREIGN ECONOMIC ACTIVITY

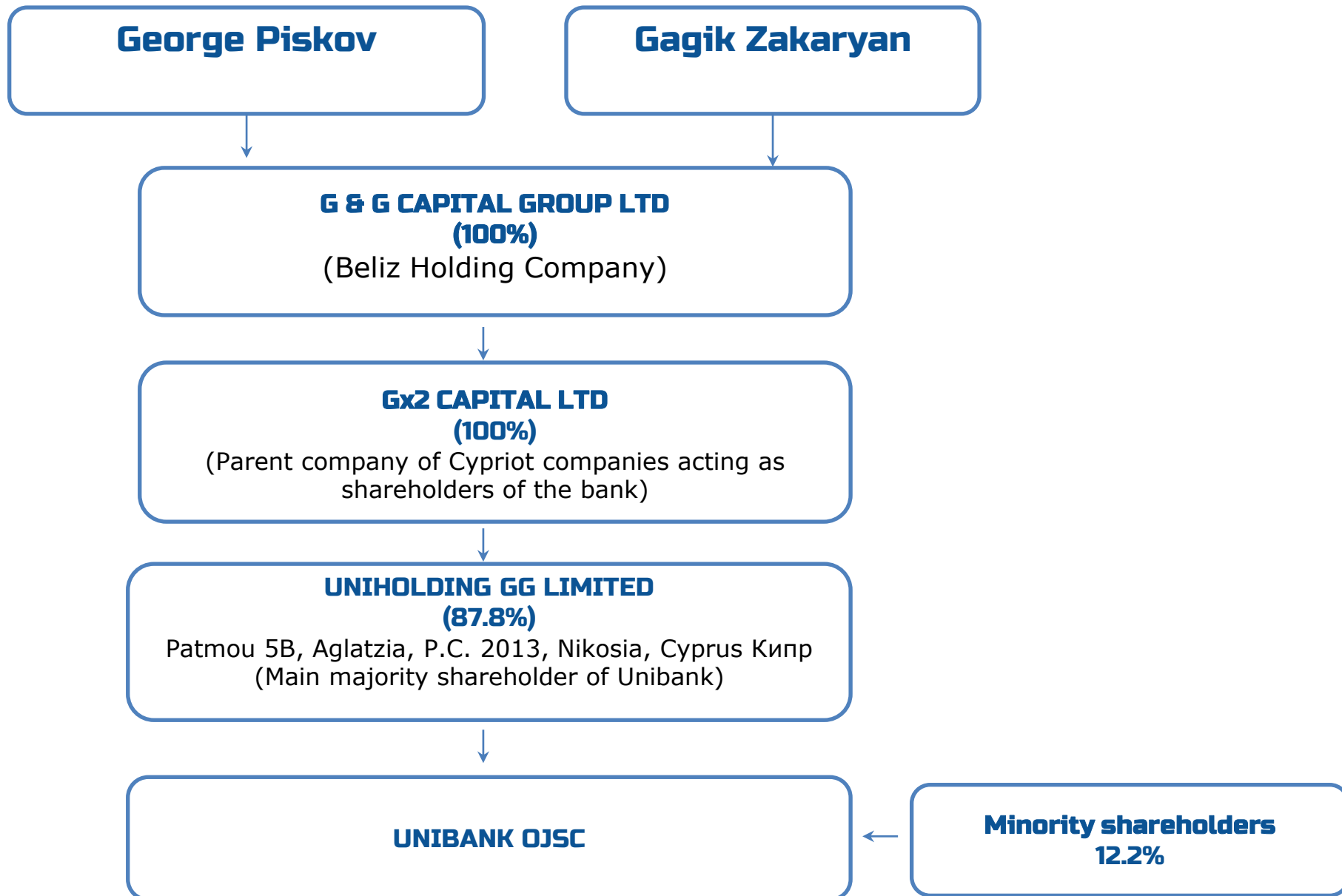
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- ◆ **Business model:** Broad customer base and 600+ international transfers per month
- ◆ **Compliance procedures**  
Operates in full compliance with KYC and EU 4th AML Directive requirements
- ◆ **Experienced team**  
Professional team with many years of banking services experience within EU and EurAsEC

## The principles on which Unibank is oriented



# Shareholding structure of Unibank



# Unibank: Board of Directors



## Gagik Zakaryan

Cofounder/Board Chairman, Unibank OJSC,  
Cofounder/Board Chairman, Unistream OJSC CB,  
Board Member of the Association of Russian Banks Member of  
the Supervisory Board of National Banking Journal

Awarded with «St. Gregory the Illuminator» order of the  
Armenian Apostolic Church for the activity aimed at the  
prosperity of the nation and church. Awarded with 2nd class  
Medal of the Order «For Merit to the fatherland» and with the  
«Vachagan Barepasht» medal for services rendered to the  
Artsakh Republic.



## George Piskov

Cofounder/Board Member, Unibank OJSC,  
Cofounder/Board Member of the Unistream OJSC CB  
Cofounder/Chairman of Protobase Laboratories,  
The laureate of the «Banking Manager of the Year -  
2003» and «Financial Olympus 2009».



## 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



## Artem Kostandyan,

Board Member of "Unibank" OJSC  
Board of Directors Member Russian Export Credit Agency EXIAR  
Board of Trustees Member Jurisdiction Armenia Foundation (RA)



## Eduard Zamanyan

Board Member of Unibank OJSC, Armenia,  
Board Member of "Unistream" OJSC CB



## David Papazyan

Board Member of Unibank OJSC, Armenia  
Independent capital Manager

# Unibank: Executive Board



**Mesrop Hakobyan**

Executive Board Chairman



**Gohar Grigoryan**

Financial Director - Chief Accountant



**Gurgen Ghukasyan**

Retail Business Promotion and Sales Director



**Ararat Ghukasyan**

First Vice-Chairman  
of the Executive Board



**David Petrosyan**

Corporate Business Promotion and Sales Director



**Ovsanna Arakelyan**

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



**Tigran Badanyan**

Risk Management Director



# Join our success



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[www.corp.unibank.am](http://www.corp.unibank.am),  
[www.prive.unibank.am](http://www.prive.unibank.am)



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