



Bonding the bond bearers



- Introduction



- Regulation Side



- Supply Side



- Demand Side



- What's Next



AMERIA GROUP

AMERIA

**ADVISORY:
LEGAL, TAX
MANAGEMENT**

The leader in the market of professional advisory services of Armenia (since 1998)

AMERIABANK

**CORPORATE,
RETAIL AND
INVESTMENT
BANKING**

Universal bank with corporate, retail and investment banking services (founded in 1910 as a branch of Caucasian Trade Bank)

PRODECO

**PROPERTY
DEVELOPMENT**

Company providing real estate development and management services (since 2010)

1st

by Assets and Liabilities

by Loan Book

by Customer Liabilities

by Equity

by Profit





What's on Regulation Side?

Introduction

Regulation Side

Supply Side

Demand Side

What's next



So overall, bond arrangers are **happy** with the regulative framework!



Capital Market

\$780mln, 50 issues

10 issuers

Equity
\$92mln

$\frac{\text{Corporate Bonds}}{\text{GDP}} = 1.4\%$

Treasury Notes
\$358mln

Developed Markets - 104%

Treasury Bills
\$61mln

Emerging Markets - 29%

Sovereign Eurobonds

Corporate Bonds
\$53mln

\$165mln,
10 issuers

ABS

Corporate Eurobonds
\$110mln

\$1,000mln

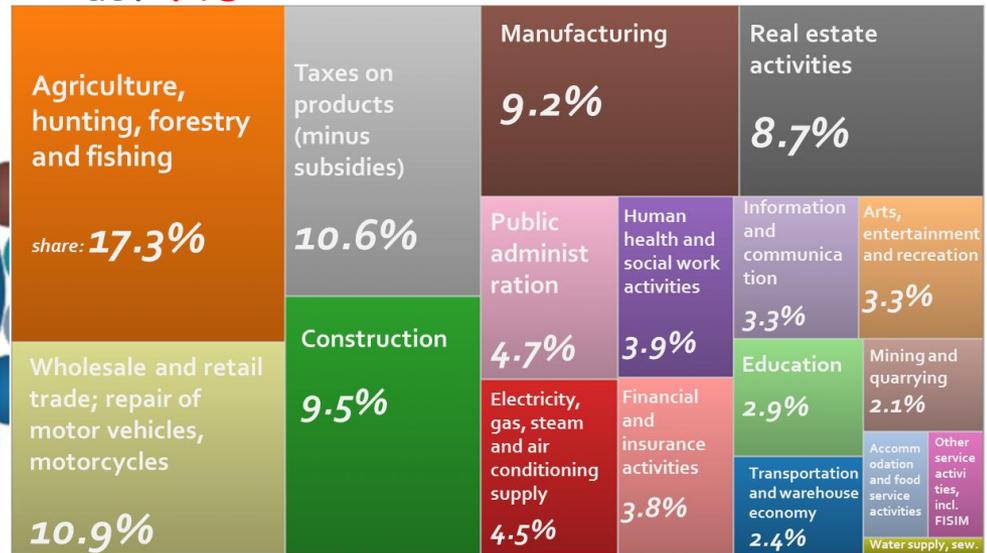
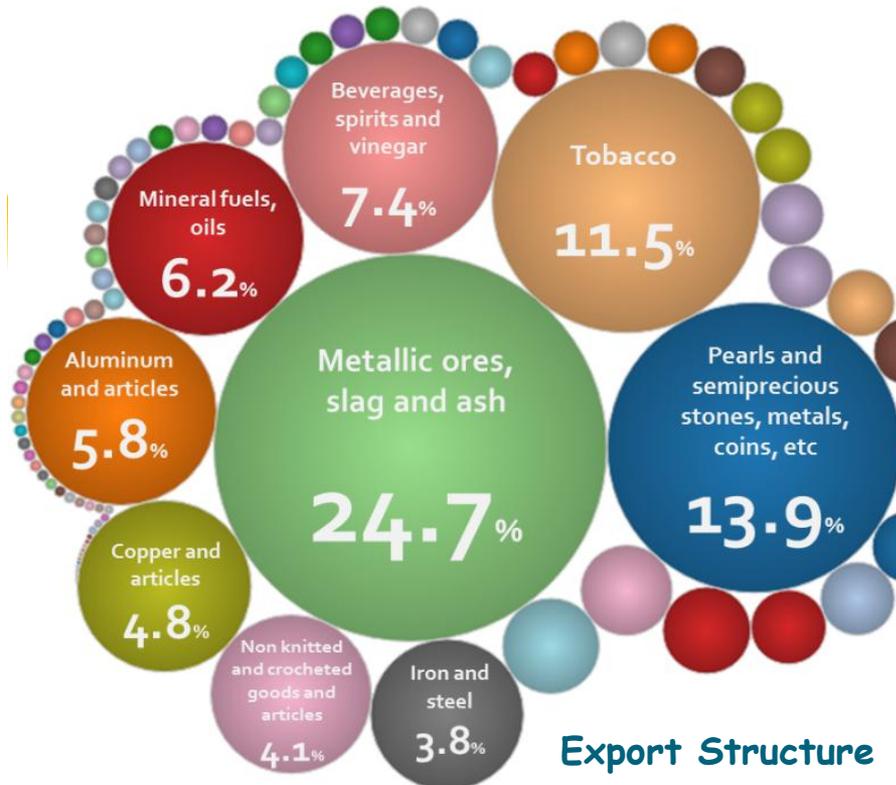
Treasury Bonds
\$357mln

as of
13.06.2016



- Why issuer participation is low?
- Is there enough critical mass of issuers? **YES**
- Are bond issuance procedures cumbersome? **NO**
- Are associated arrangement costs high? **30 - 40bps**

~~NONE~~
us? **NO**

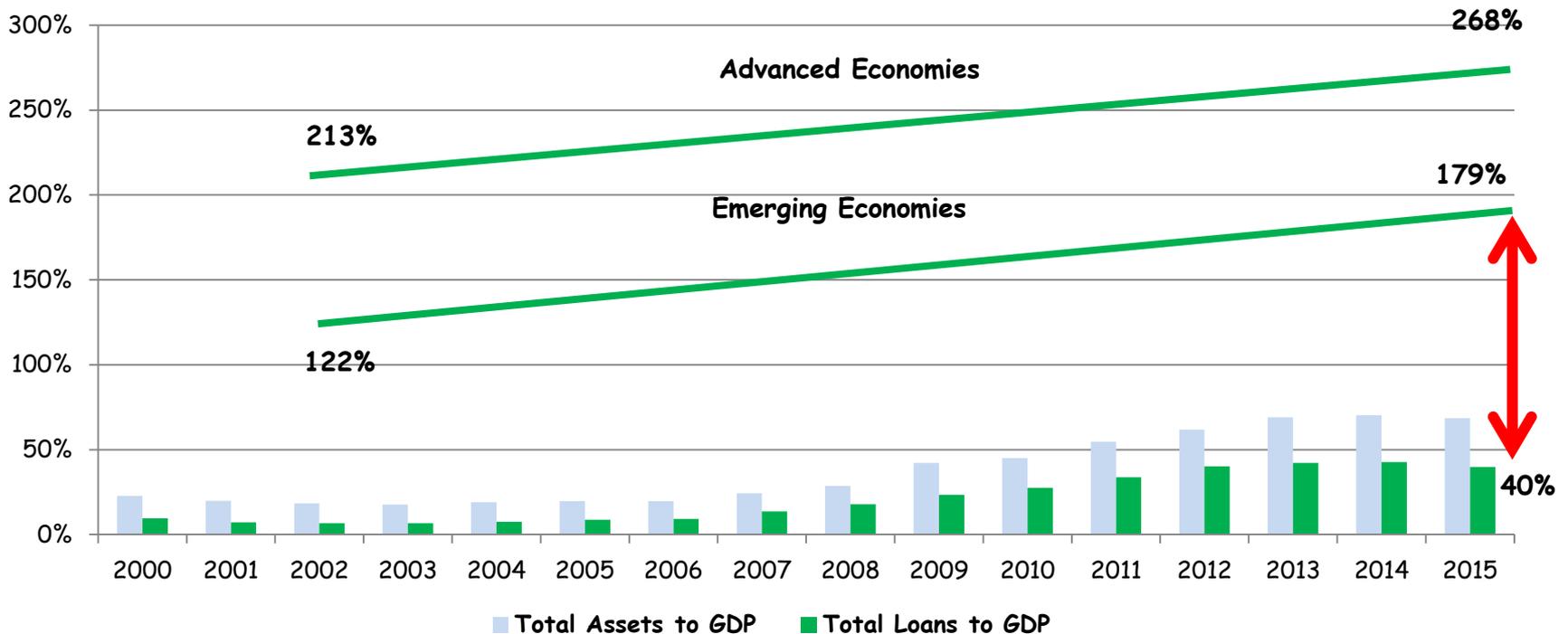


GDP Structure



Then...

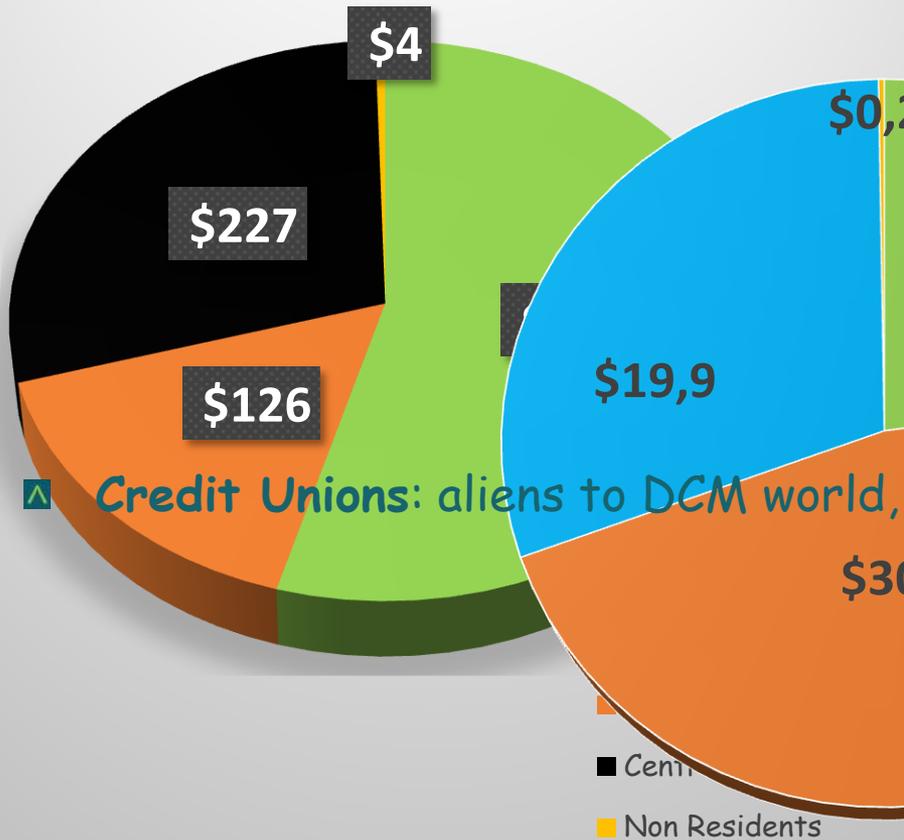
- Why do we have a **single** non-financial sector corporate issuer out there in the market?
- Why is the total corporate bond market a **"penny"** in GDP?





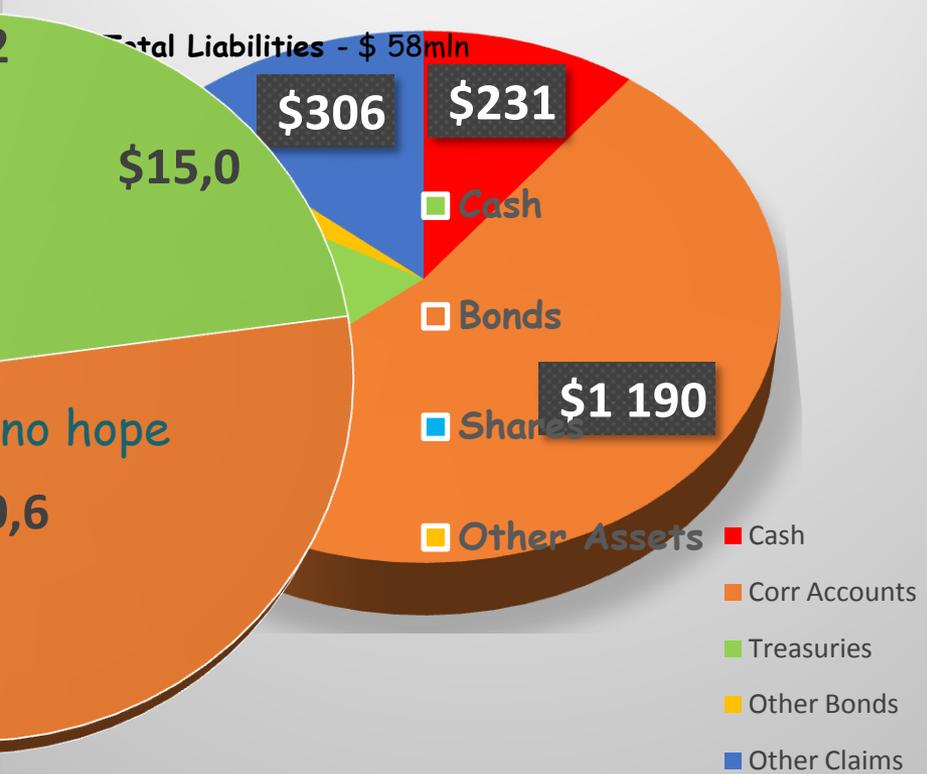
Commercial Banks: capricious and painstakingly picky

Investors in Treasuries (mln \$)



Credit Unions: aliens to DCM world, no hope

Asset side cash items (\$mln)



- Cash
- Corr Accounts
- Treasuries
- Other Bonds
- Other Claims



- ▲ **Retail Depositors:** becoming a "bond academy" for our own deposit clients, fostering "bank depositor to bond investor" evolution

2Y/6.75%

- ▲ **Corporate Treasuries:** ensuring the liquidity and narrow bid-ask spread
 Issue Size \$15,000,000
 Median of Allocated Accounts \$40,900
 Comfort via market making arrangements

Average of Allocated Accounts \$178,571

Standard Deviation \$240,972

- ▲ **Non-residents:** all hopes are on NASDAQ OMX Armenia, global custodian connection matter to be resolved soon
 Accounts Allocated 83

Deposit to Bond Conversion \$9,926,100 66.17%

New to Bank Money \$5,073,900 33.83%



Your personal bond arranger in Armenia

9 G. Lusavorich street, Yerevan
0015, Republic of Armenia

Phone: + 374 10 561111

Fax: +37410 513133

E-mail: info@ameriabank.am



2011, 2012, 2014



2012, 2013, 2014, 2015