

STRATEGY 2018-2020

Abridged

TAPPING INTO NEW
GROWTH OPPORTUNITIES



ARMENIA

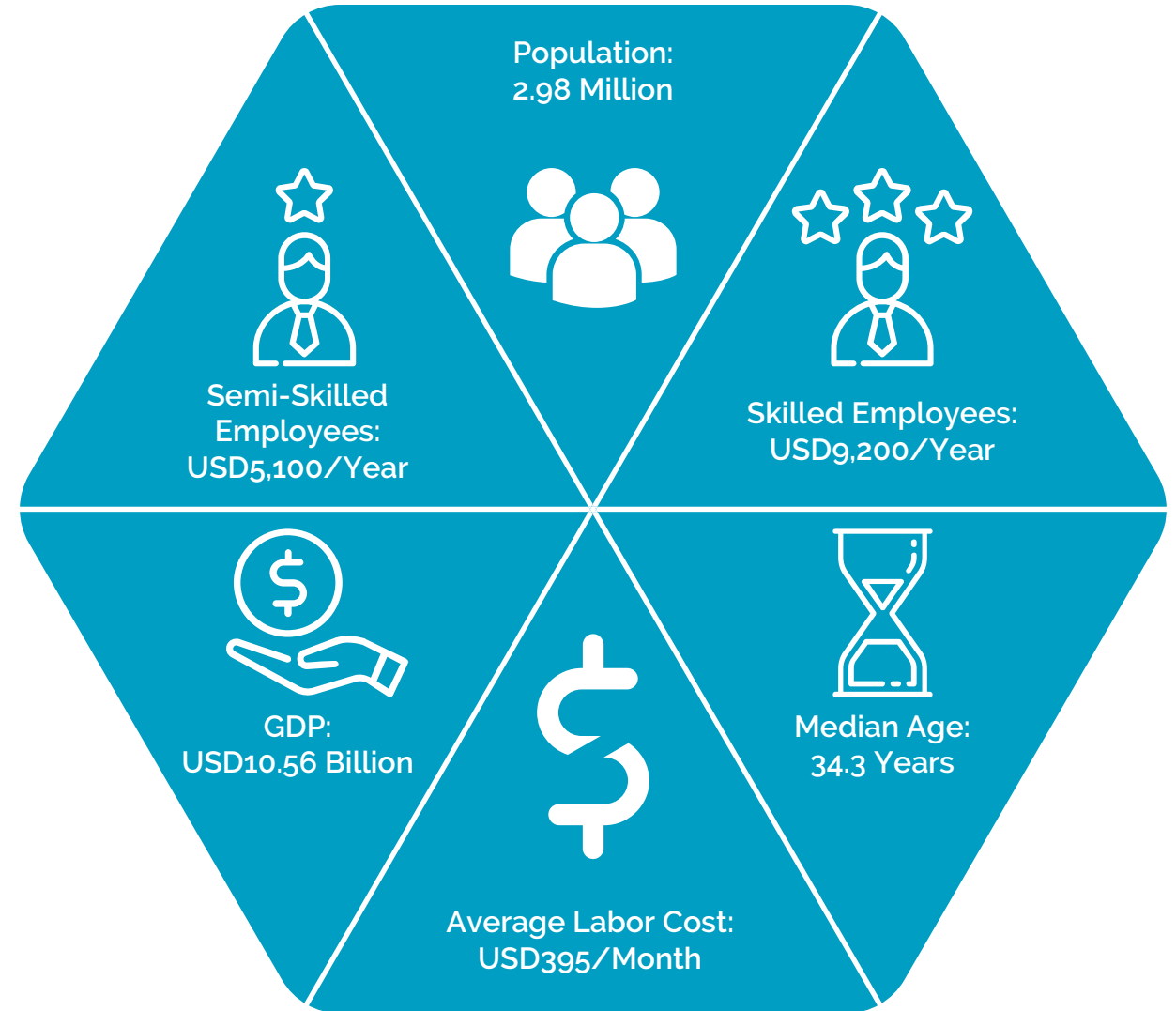
Great Country. Smart Opportunities.

Nestled on Europe's far eastern frontier and the far western end of the old Silk Road, Armenia is well-known for its highly skilled population, industrial, scientific and educational potential, and its stable democracy.

A steady macroeconomic environment, moderate inflation rate, and stable exchange rate provide a predictable and affordable basis for investment.

Armenia's government is committed to adopting policies and implementing strategies ensuring sustainable and accelerated economic growth and modernization of the governance system.

The finance sector is highly-developed: international banking and financial groups are well-presented in the market. The sector-specific legislation is in line with relevant international standards.



ARMENIA SECURITIES EXCHANGE

Vision and Mission

Armenia Securities Exchange and the Central Depository of Armenia strive to enable economic growth and development of Armenia's capital market.

MISSION

Drive the organic **GROWTH** of the Armenian capital market and be a **GATEWAY** to the financial sector in the region.

VISION

Be the **LEADING SECURITIES EXCHANGE** of choice across asset classes within the region for both Armenian and international investors seeking **MULTI-REGIONAL EXPOSURE** within a framework of **INTERNATIONAL STANDARDS** and **INNOVATION** across trading, settlement and pension administration.



STRATEGIC GOALS

2018-2020

Armenia Securities Exchange

Upgrade the exchange both technologically and operationally to such level that it can promote an attractive business environment for transactional business solutions and engage local and international customers via introduction of innovative products and services.

Central Depository of Armenia

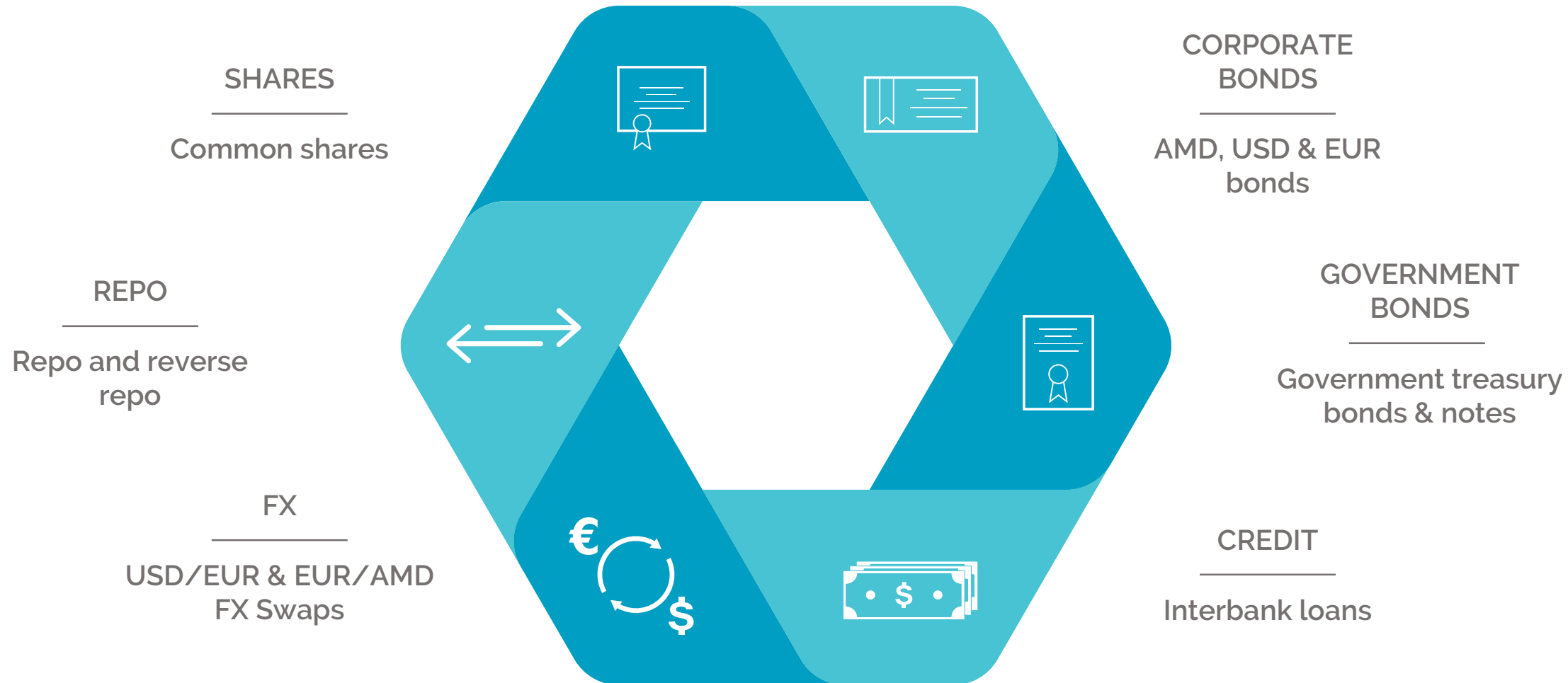
Become an efficient clearing and settlement house adapted to international best practices and standards, and provide comprehensive cross-border services, thus acting as a gateway among regional economies.

Act as a feeding example of pension system administrator, acknowledged globally as a learning and development source.

ARMENIA SECURITIES EXCHANGE

Stock Exchange

Types of Financial Instruments Traded on Armenia Securities Exchange



ARMENIA SECURITIES EXCHANGE

Stock Exchange

Equity Market

Market Capitalization

2015 DEC

215 Million
USD

2016 DEC

278 Million
USD

2017 DEC

298 Million
USD

2018 MAY

298 Million
USD

Corporate Bonds Market

Market Value

2015 DEC

37 Million
USD

2016 DEC

59 Million
USD

2017 DEC

213 Million
USD

2018 MAY

231 Million
USD

Government Bonds Market

Total Market Value

2015 DEC

667 Million
USD

2016 DEC

1.05 Billion
USD

2017 DEC

1.17 Billion
USD

2018 MAY

1.11 Billion
USD

REPO & SWAP Market

Daily Average Borrowings

2015 DEC

104,778
USD

2016 DEC

264,495
USD

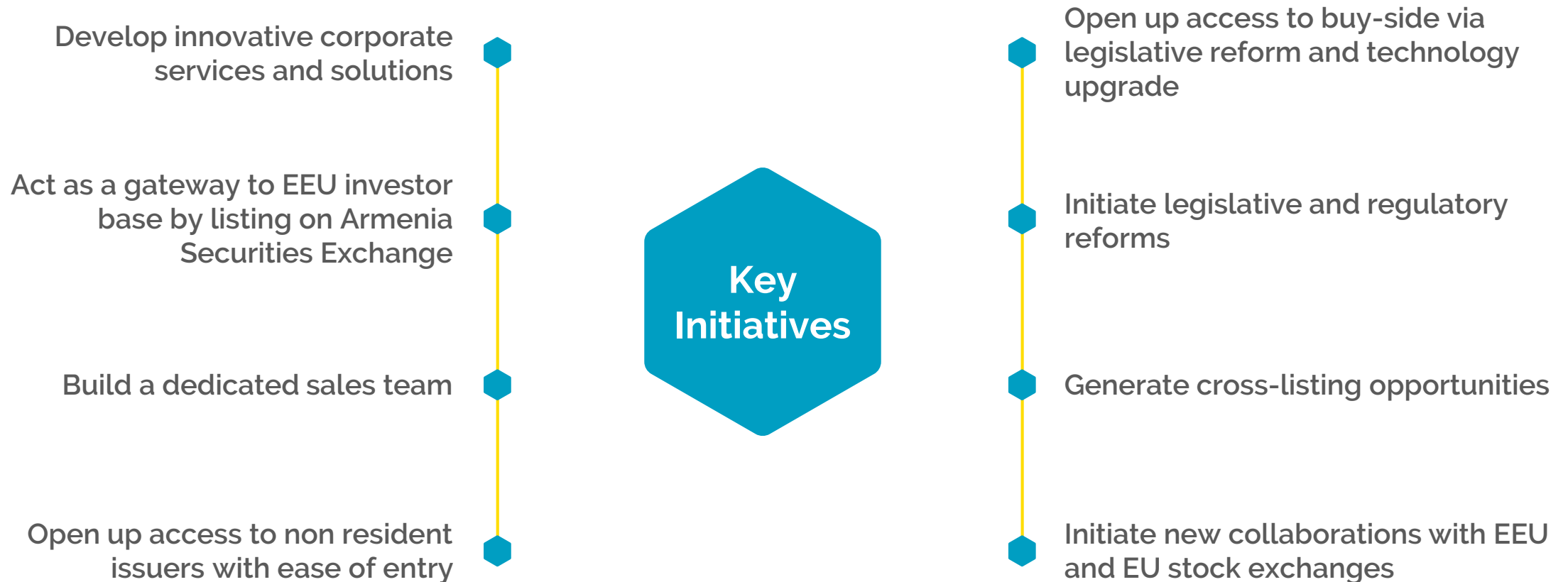
2017 DEC

404,787
USD

2018 MAY

534,204
USD

Increase Listing



Increase Trading

Introduce new exchange technology

Implement Direct Market Access
Technology

Introduce Russian and European liquidity
on the exchange to be traded by parties
that have no direct relationship

Introduce Russian ruble credit notes
issued by the National Clearing Centre of
Russia

Key Initiatives

Develop analytics related services on
data owned by Armenia Securities
Exchange

Develop local indexes and receive a
license

Increase the efficiency of cross-border
fund transactions utilizing Vestima
platform

Create a One-Stop shop for alternative
investment instruments and funds

Engage and Nurture Companies



Introduce FundNet - Fund Registration Platform



Initiate and Design a Crowdfunding Platform



Expand Market Opportunity for Private Companies

CENTRAL DEPOSITORY OF ARMENIA

Services

Our local expertise at the Central Depository allows us to deliver efficient services that include:



Depend System by Percival

Percival's DEPEND system allows the Central Depository of Armenia to offer an unparalleled range of CSD business functionality, IT efficiency and flexibility.

INTERNATIONAL STANDARDS COMPLIANCE

- ISO data handling and messaging
- CPSS settlement principles
- IOSCO principles for FMIs
- ECSDA's matching standards
- T2S - Depend integrates with the HUBBLE message Hub solution

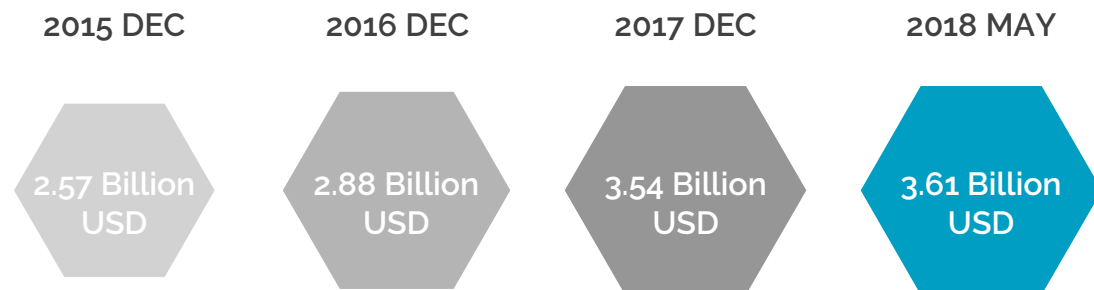
AMPIS for Funded Pension System

To maintain a centralized registry of pension participants, the Central Depository of Armenia has developed a unique Armenian Mandatory Pension Information System, AMPIS on top of the Estonian pension system solution with several custom features.

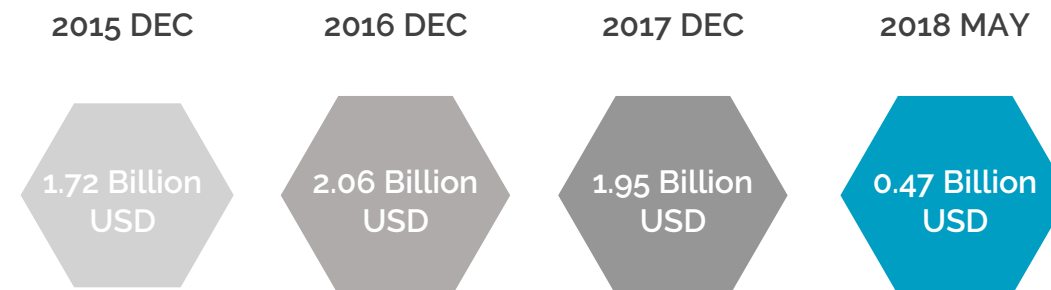
CENTRAL DEPOSITORY OF ARMENIA

Market Overview

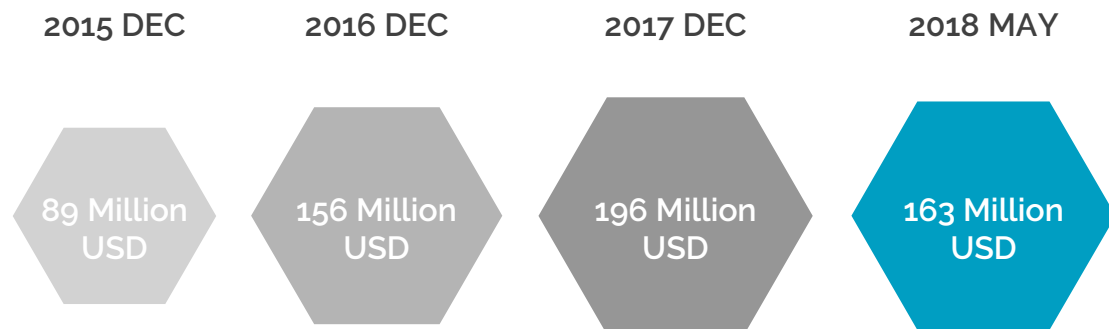
Total Nominal Value of Securities On Active Accounts



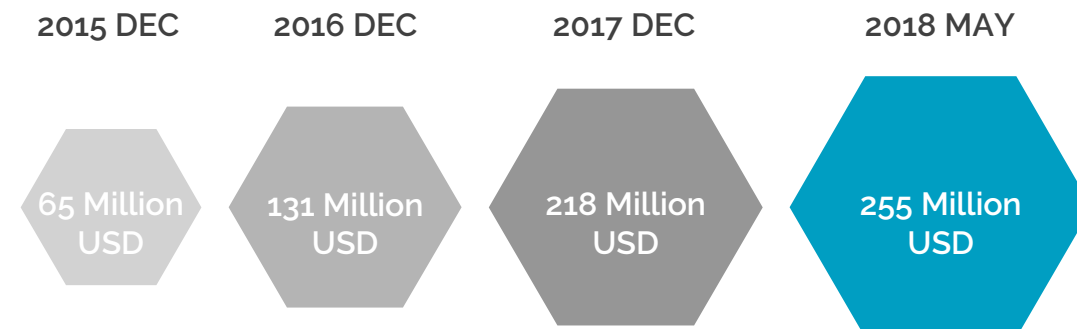
Volume of Transactions with Securities



Total Foreign Assets under Custody



Total Pension Funds Net Assets (NAV)



Become a Clearing and Settlement House of Ultimate Efficiency

Implement tri-party repo trading and settlement services

Combine asset flows of exchange/OTC trading within a unified system

Establish CCP for Credit Contracts Market

Key Initiatives

Develop electronic voting (e-voting) service

Implement mobile/online applications

Implement quality control mechanisms and customer support system

Raise the Awareness about Funded Pension System



Develop new possibilities to track pension account balances



Develop centralized registry keeping software and custodian services

TOOLS TO IMPLEMENT BUSINESS STRATEGY



THANK YOU

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