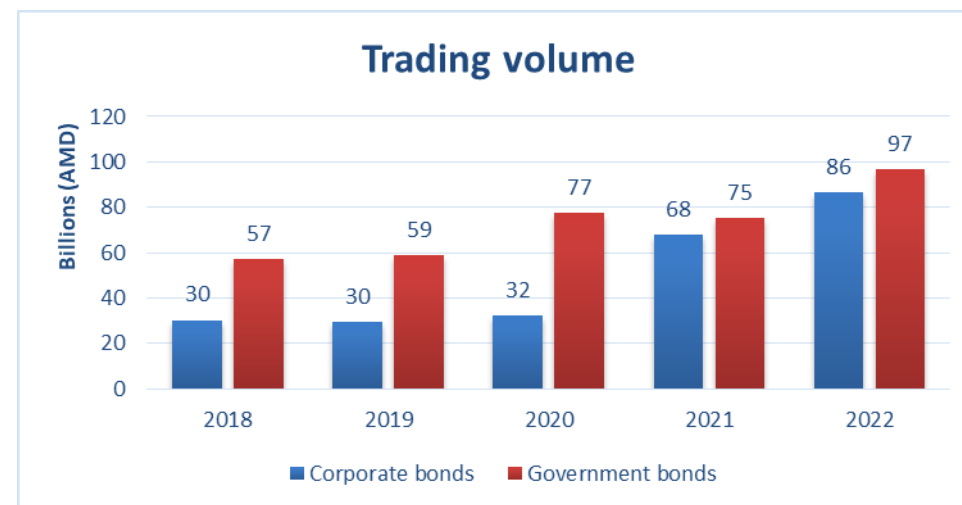
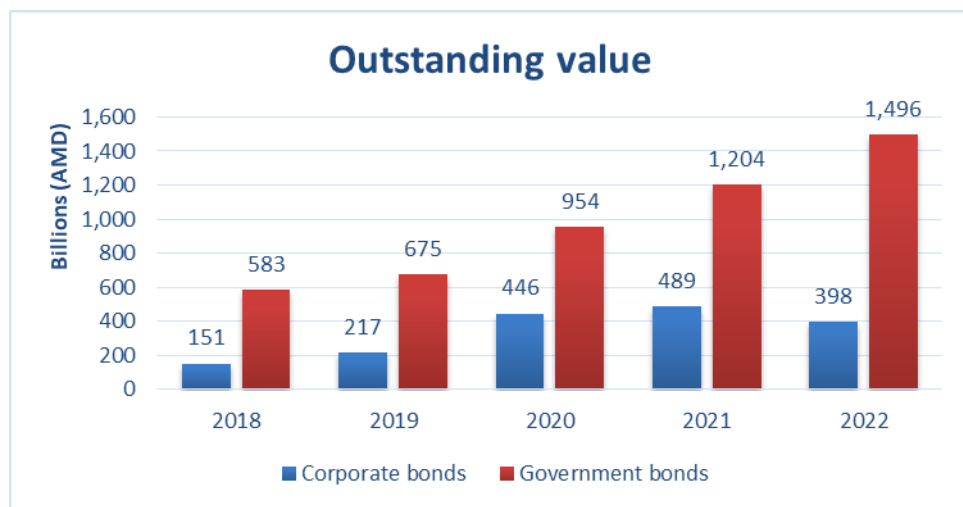


Bond market is still small, but has a growing trend

- ✓ Bond market is dominated by government bonds
- ✓ Banks are the main investors in government bonds followed by pension funds
- ✓ The volume of corporate bonds has increased in recent years (70% issued in foreign currency)
- ✓ However, it lags behind government bonds in trading volumes, investor base and tenors



Investment funds have a potential to become one of the major players in providing finance to the economy

Private funds



- Private funds are of great importance in creating an alternative source of financing for the economy
- Regulation should promote properly structured private funds

65 funds with NAV of 44B
AMD (110M USD)

Pension funds



- Fast-growing sector
- Major institutional investor in the capital market
- Increasing appetite for investments

6 funds with total NAV of
600B AMD (1.5B USD)

Development initiatives: Sequencing is important

Comprehensive Roadmaps

- Capital Market Development Strategy (2020)
- Money, FX, GBs and Derivatives Markets Development Action Plan (draft)

Key Initiatives

- Introduction of a centralized overnight repo platform to derive a reliable MM benchmark rate
- Promoting the development of a deep and liquid government bond market to ensure proper pricing and a large investor base
- Standardization of financial instruments to attract more global liquidity into the domestic market and open up new opportunities (GMRA, ISDA MA, legal opinions)
- Facilitating the establishment of a liquid FX market with low entry/exit costs for foreign institutional investors