



DIMENSION
INVESTMENTS

DIMENSION

Investments

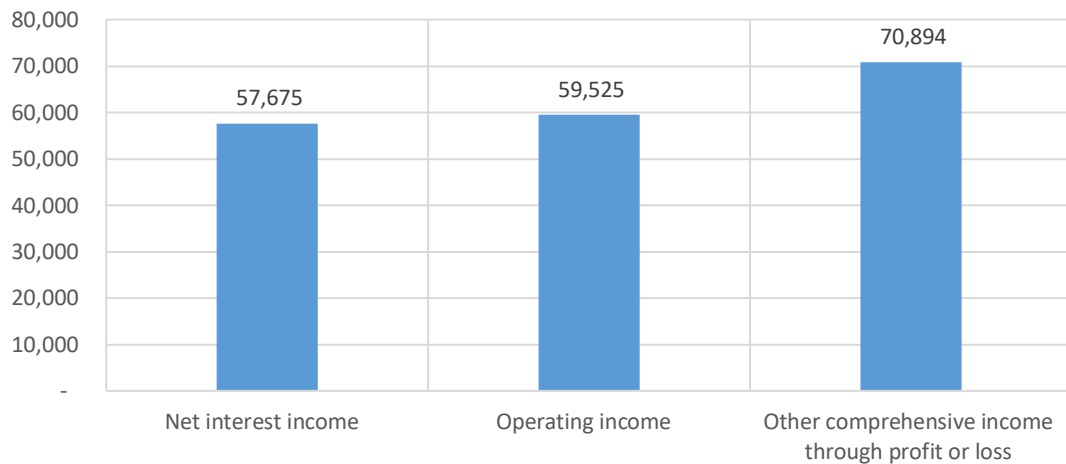
Annual Report
2019

About Dimension

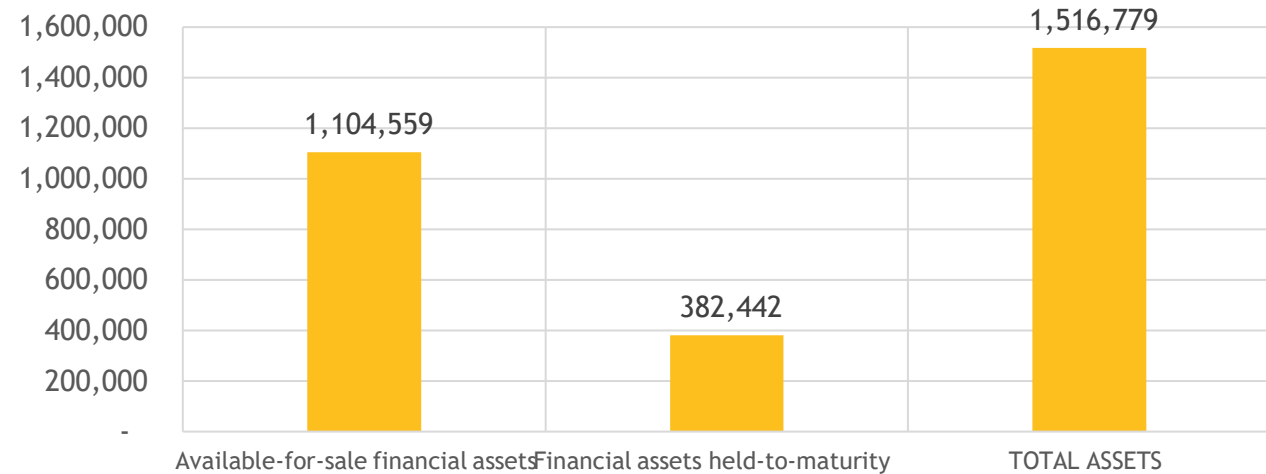
Established in	2018
State registration and license	Central Bank of Armenia, license No. 0014
Other memberships	Account operator at the Central Depository of Armenia, member of Armenia Securities Exchange
Main activities	Manages investment portfolio on its behalf and its own account, distribution of securities, registry keeping and custody services, market making, advisory, financial reporting
Number of shareholders	3
Shareholders' residency	Armenia, Netherlands, USA
Number of employees	6
Address	RA, Yerevan 0010, Movses Khorenatsi 15, Elite Plaza Business Center, 4 th floor, office A5
Audit (external)	«PKF audit service» LLC

Financial Highlights

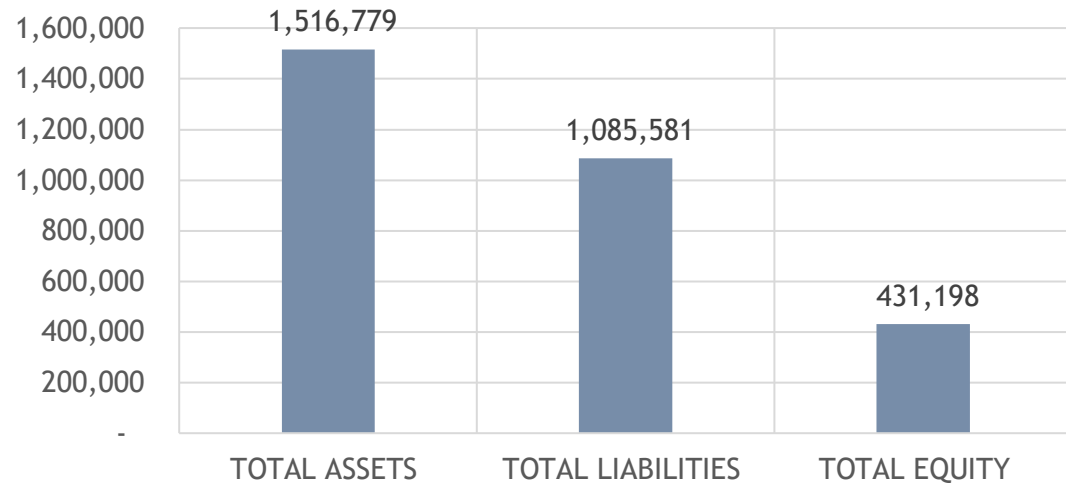
Profitability Performance in '000 AMD



Bonds classification in '000 AMD as of 2019



Balance Sheet Performance '000 AMD as of 2019



HIGHLIGHTS

- Launched in September 2018 and within 2019 made other comprehensive Income of AMD 71 million;
- Generated financial leverage of 3.51x in collaboration with 3 partner banks;
- Became profitable since the first year of establishment;
- Strategically allocated the portfolio among long-term and short-term assets;
- Hedged the portfolio for exchange rate fluctuations by investing in bonds denominated in various currencies.

Armenia's political and economic developments were full of events in 2019. The leaderships of big IT companies such as Google, Amazon and Facebook participated in the World Congress on Information Technology (WCIT), which took place in Armenia on October 6-9, 2019. The World Congress on Information Technology (WCIT) is considered to be the largest and the most reputable international event among worldwide IT leaders. It brought together high-level officials from different countries, heads of multinational organizations, universities and non-governmental organizations' representatives. The event was an important milestone for developing the IT sector in Armenia.

According to the International Monetary Fund (IMF), the country's GDP grew by 7.6% in 2019 compared to the same period in the previous year, mainly due to an increase in trade & services and mining sectors by 9.3% and 21.3% respectively compared to the same period in 2018. On the other hand, agricultural sector declined by 4% compared to same period in 2018. However, construction and manufacturing sectors demonstrated a solid growth by 4.2% and 12% respectively compared to the same period in the previous year.

The macroeconomic situation in Armenia was stable in 2019. Inflation rate was stated at 1.2% as of the end of 2019 compared to the same period in 2018. The target inflation rate is stated at 4.0%. Monetary policy demonstrated a stimulating activity towards encouraging the economic growth. The Central Bank cut the refinancing rate twice per 25 basis points in January and in September 2019 to 5.5% from 6.0%, which is an encouraging step towards easing the monetary policy and boosting economic activity. Easing the monetary policy would facilitate higher volume of lending leading to the increase of the inflation rate, which is relatively low at 1.2% compared to the target rate at 4.0%.

Moreover, the Central Bank of Armenia's net international reserves increased by 46.93% to AMD 1.07 tln. equivalent of USD 2.03 Billion as of the end of 2019 compared to the same period in 2018. The policy of increasing reserves means that the Central Bank buys dollars from the market in order to keep the dram depreciated against dollar, which is beneficial for the SMEs exporting to foreign countries. Depreciated dram and potential relatively higher inflation rate would benefit the companies, which focus on production of goods.

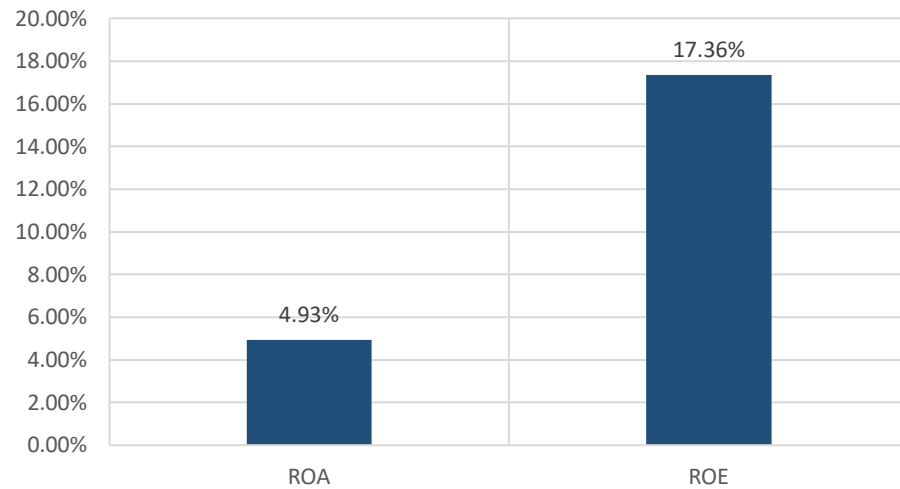
On the other hand, currencies demonstrated slight fluctuation in 2019. USD and EUR appreciated by 0.96% and 3.12% against AMD respectively as of the end of 2019 compared to the same period in 2018. However, Russian Ruble depreciated by 7.62% against dram as of the end of 2019. Appreciated dollar and depreciated Ruble would imply Central Bank's buying more treasuries in order to impose exchange rate stability in the market.

Earlier on August 27, Moody's Investors Service ("Moody's") has upgraded the Government of Armenia's local and foreign currency long-term issuer and foreign currency senior unsecured debt ratings to Ba3 from B1. Also, the long-term foreign currency bond ceiling and long-term foreign currency deposit ceiling have been raised to Ba1 from Ba2 and B1 from B2, respectively.

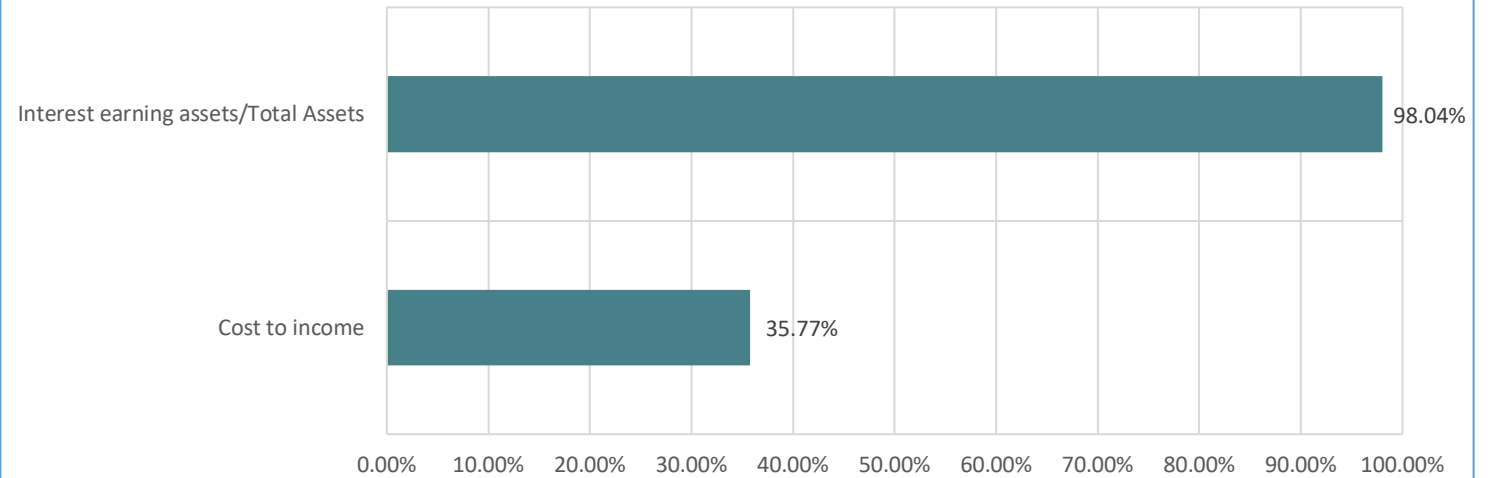
The decision to upgrade the rating is driven by Moody's assessment that the increasing diversification of growth drivers, coupled with a lengthening track record of stabilizing macroeconomic policy, raises Armenia's economic resiliency. Overall, Armenia's internal political and economic forecast for the country is positive.

Financial Ratios

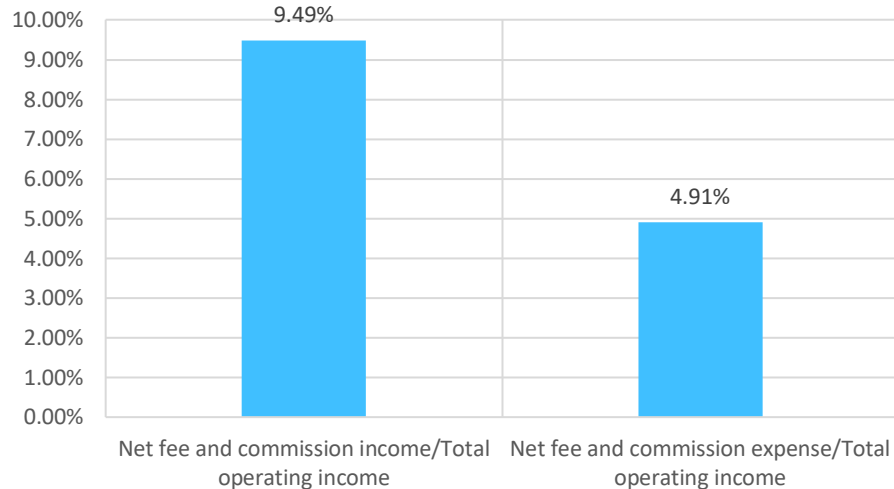
ROA & ROE in 2019



Interest Earning Assets, Cost to Income in 2019



Net Fee & commission income and expense

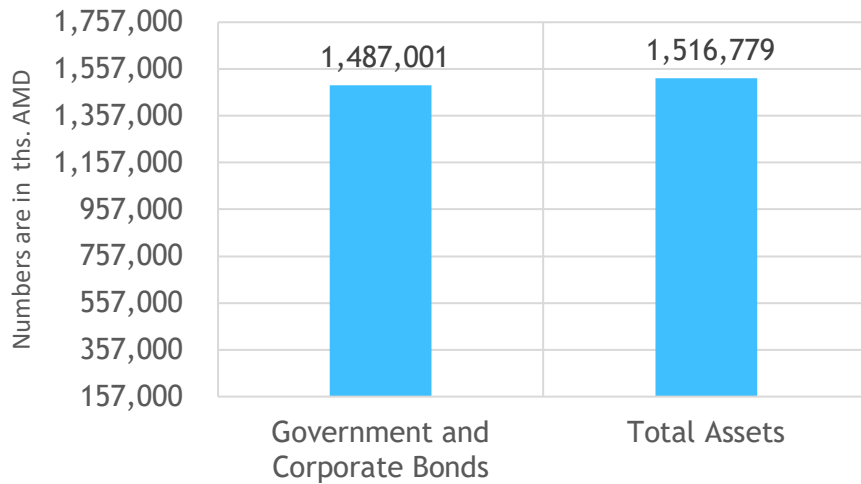


HIGHLIGHTS

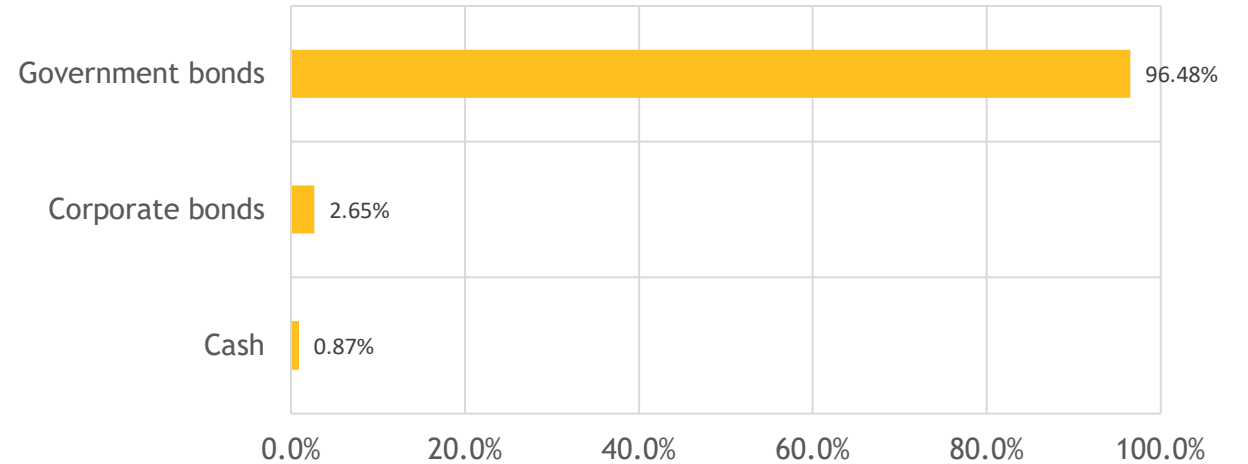
- Within the first year of business, Dimension Investments achieved competitive performance ratios with regard to ROA and ROE at 4.93% and 17.36% respectively;
- Interest earning assets encompass more than 98% of the total assets, indicating of company's strategic asset allocation;
- Cost to income ratio is about the third of the revenues, due to low yield repo deals with partner banks benefiting Dimension Investments.

Investment Portfolio

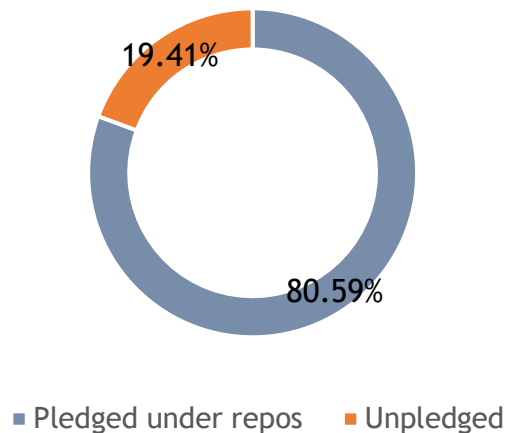
Bonds Allocation in Total Assets



Investment Portfolio Allocation



Portfolio of G-Bonds and C-Bonds

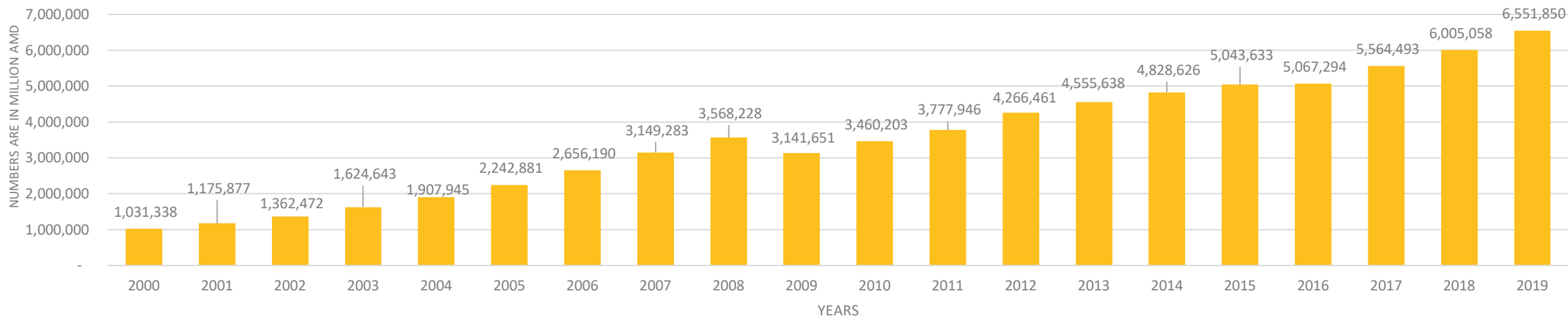


HIGHLIGHTS

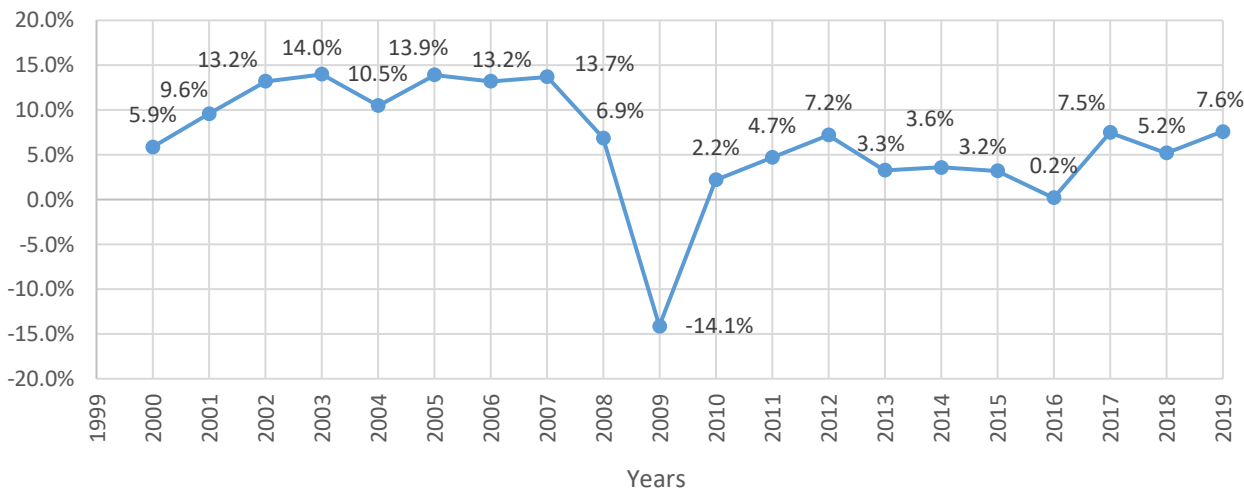
- Government & Corporate bonds represent about 99% of the total assets, indicating Dimension Investment’s core investment asset classes;
- Dimension Investment’s leverage reached to 3.51 in 2019;
- Having about 19.41% of unpledged bonds and 80.59% pledged bonds, indicates the company’s effective risk management strategies.

Macroeconomic Overview (GDP)

GDP in absolute values



GDP growth rates

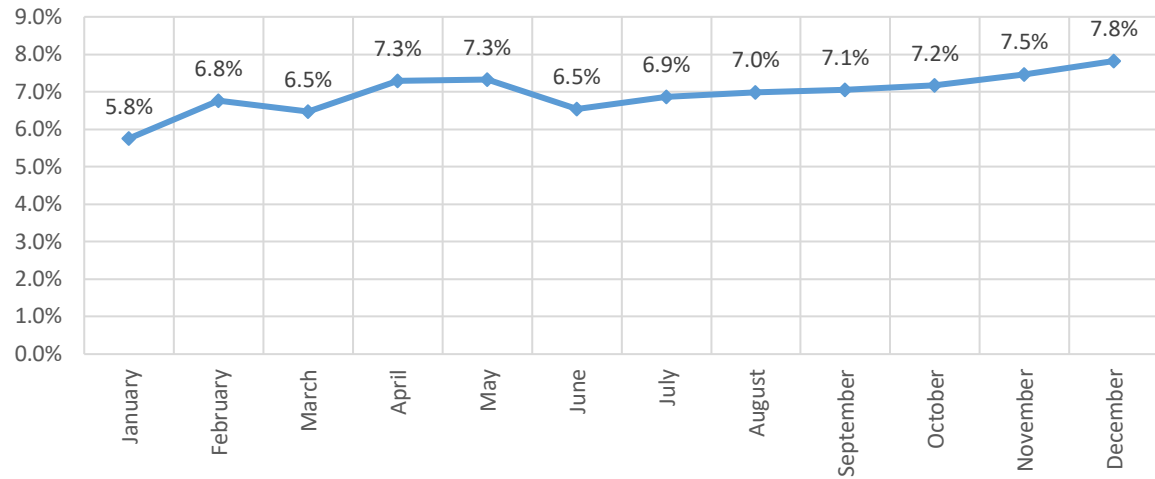


Highlights

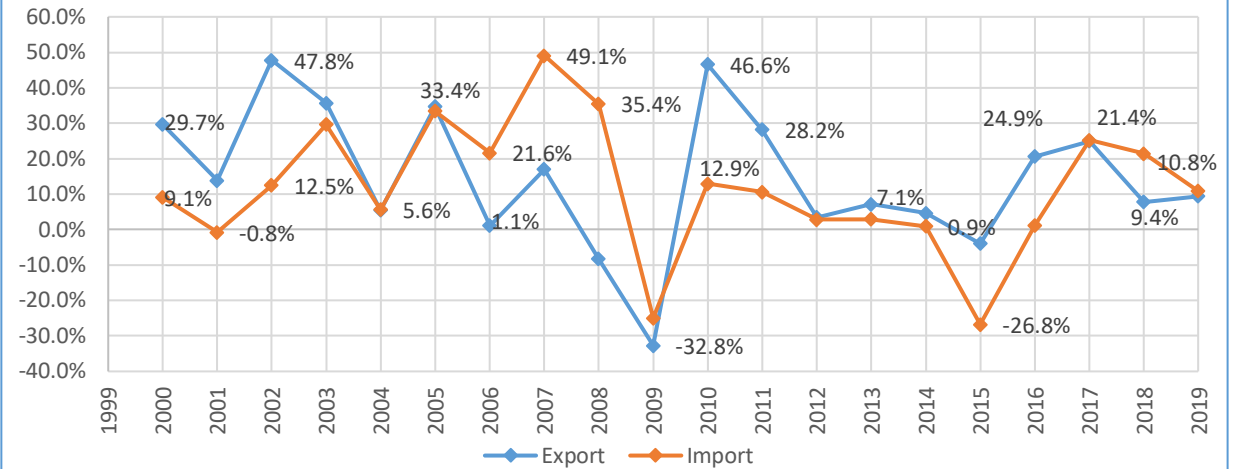
- A 7.6% GDP growth was recorded in 2019;
- GDP in 2019 reached to AMD 6.5 tln., increasing about AMD 500 bln. Compared to 2018;
- Beginning from 2017, Armenia had a spike in GDP growth mainly due to the lengthening track record of stabilizing macroeconomic policy.

Macroeconomic Overview (Economic Activity)

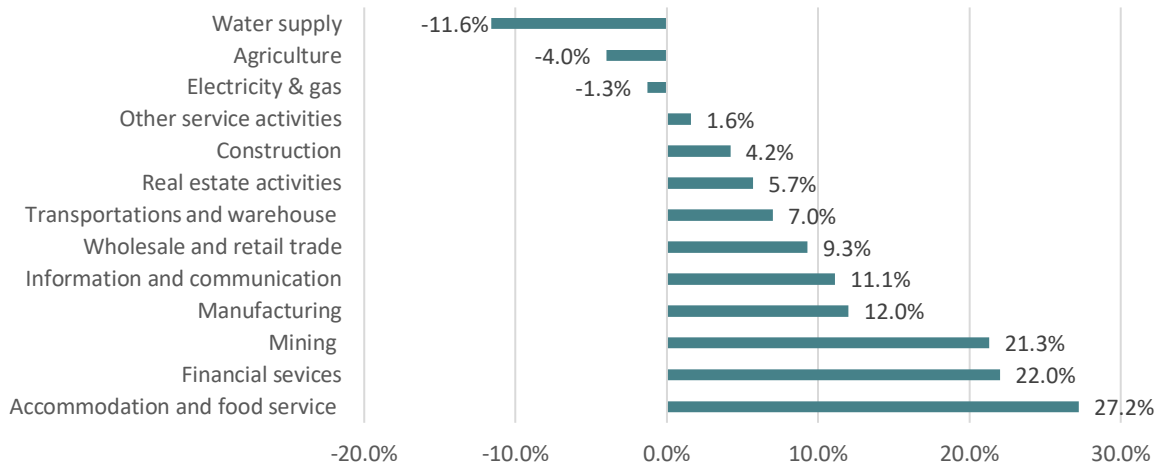
Index of Economic Activity in 2019 (y-o-y)



Exports & Imports



Growth of economy sectors in 2019

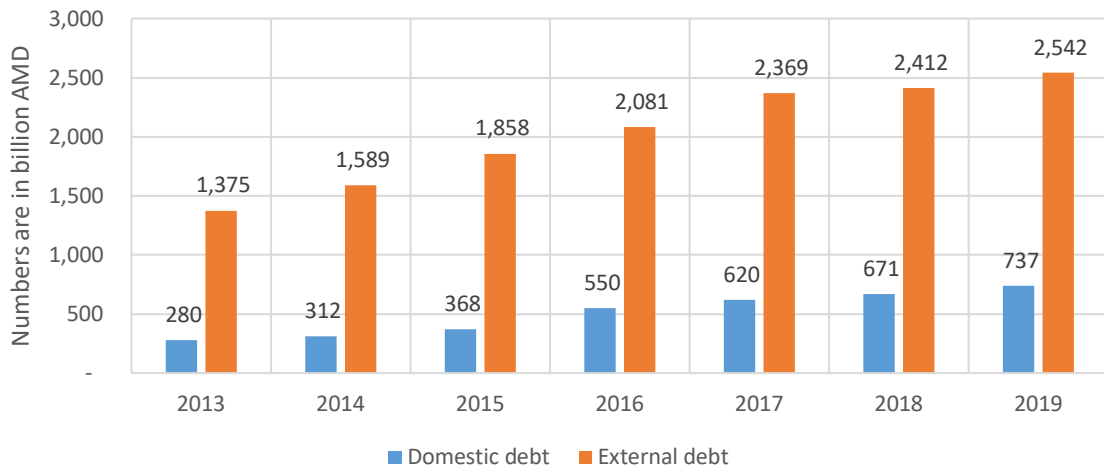


Highlights

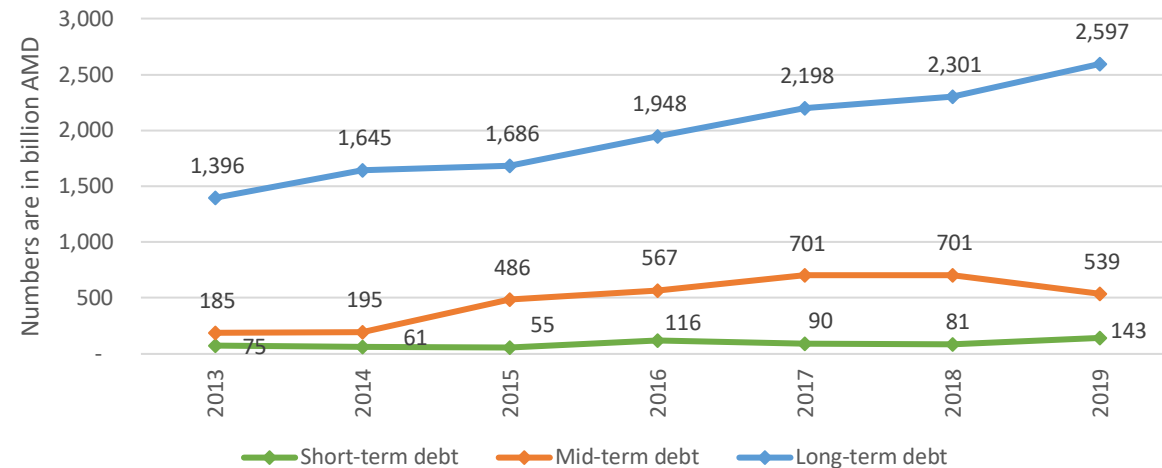
- Economic activity in Armenia was relatively high in 2019 by having an average of 7.0%;
- The 7.6% growth in GDP is mainly attributed to expansion of “Accommodation and food services”, “Financial services” and “Mining” sectors respectively by 27.2%, 22.0% and 21.3% in 2019 compared to 2018;
- Exports and imports grew by 9.4% and 10.8% respectively, which is relatively higher results compared to the net exports position in 2018.

Macroeconomic Overview (Government Debt)

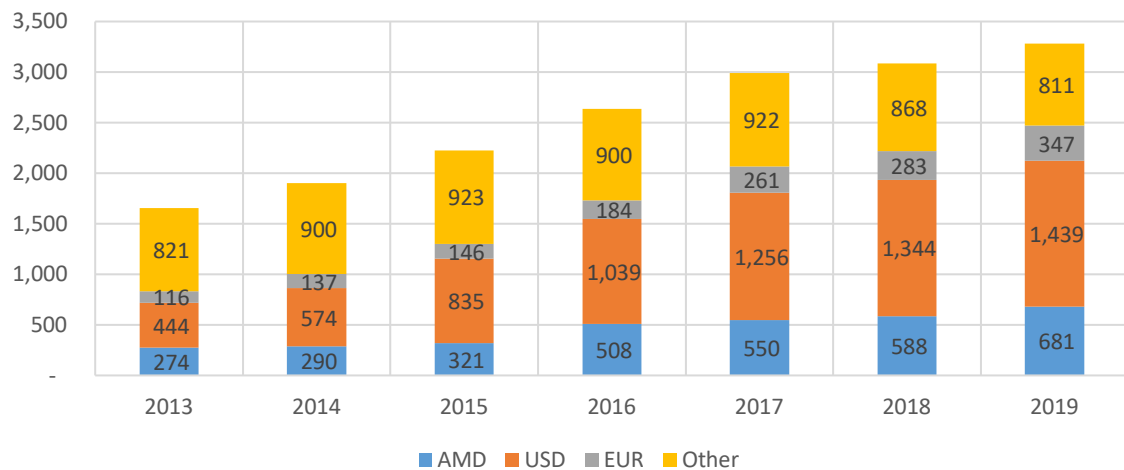
Government debt - Structure by Residency



Government debt - Structure by time to maturity



Government debt - Structure by Currencies



Highlights

- Both external debt and domestic debt grew by 9.9% and 5.4% respectively;
- AMD, USD and EUR denominated government debt amount grew by 15.8%, 7.1% and 22.9% respectively;
- Long-term debt and short-term debt grew by 12.9% and 76.3% in 2019, however medium-term debt declined by 23.1% in 2019 compared to the same period in 2018.

Income Statement (audited)



DIMENSION
INVESTMENTS

Income Statement		2019	2018
Interest income		115,256	4,168
Interest expenses		-57,581	-
Net interest income		57,675.0	4,168.0
Fee and commission income		5,647	808
Fee and commission expense		-2,923	-148
Net fee and commission income		2,724	660
Dividend income		-	-
Net trade income		-	-128
Other operating income		-874	-
Operating income		59,525	4,700
Provisions for Impairment losses		-7,045	-
Administrative expenses		-40,450	-3,905
Other operating expenses		-6,168	-436
Net gain from investment in statutory capital of other entities		-	-
Income before taxes		5,862	359
Profit tax charges		-1,906	-84
Net income		3,956	275
Other comprehensive income			
Other comprehensive income through profit or loss		70,894	-127
Revaluation income (loss) on available-for-sale financial assets		70,894	-127
Total comprehensive income		74,850	148

(Numbers are in thousands)

Income Statement 2019

Balance Sheet (audited)

Balance Sheet 2019

ASSETS		2019	2018	
(Numbers are in thousands)	Cash & cash balances with CBA	-	-	
	Claims on banks & other fin. institutions	12,449	9,239	
	Claims on customers	-	-	
	Financial instruments at fair value through profit or loss	-	-	
	Available-for-sale financial assets	1,104,559	301,116	
	Financial assets held-to-maturity	382,442	-	
	Investment in other legal entities	-	-	
	PP&E and intangibles	13,570	8,801	
	Deferred tax assets	-	42	
	Other assets	3,759	1,352	
	TOTAL ASSETS	1,516,779	320,550	
	LIABILITIES			
	Due to banks and other financial institutions	1,060,648	-	
	Due to customers	-	-	
Securities issued	-	-		
Deferred tax liabilities	12,970	-		
Reserves	1,067	51		
Other liabilities	10,896	351		
TOTAL LIABILITIES	1,085,581	402		
EQUITY				
Chartered capital	356,200	320,000		
Share premium	-	-		
General reserve	-	-		
Revaluation reserve	-	-		
Retained earnings (loss)	4,231	275		
Other comprehensive income	70,767	-127		
TOTAL EQUITY	431,198	320,148		
TOTAL EQUITY AND LIABILITIES	1,516,779	320,550		

Contact us

Do not hesitate to contact us regarding any inquiry.

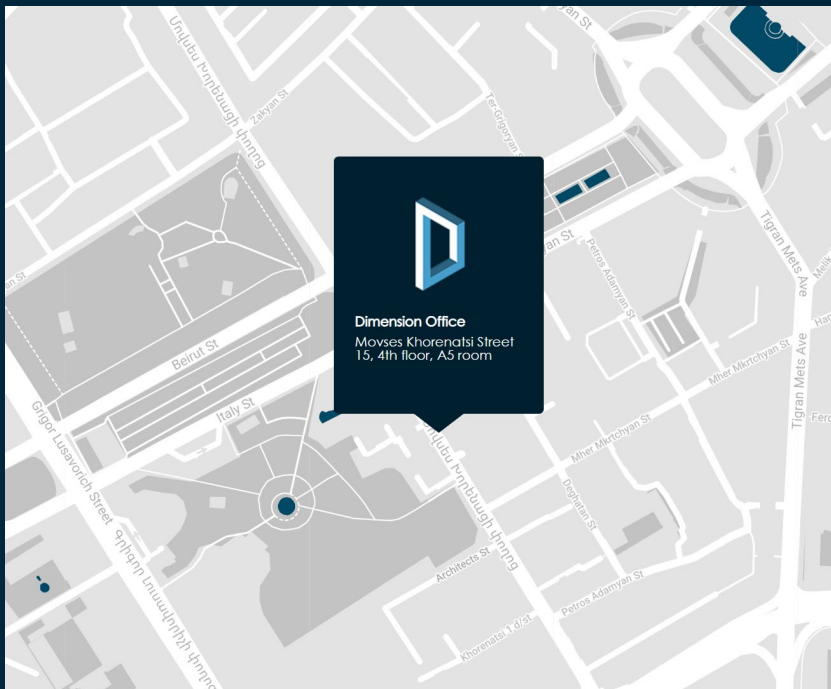
Working days and hours: Monday-Friday, 9:00-18:00

Address. Yerevan 0010, Movses Khorenatsi 15, Elite Plaza Business Center, 4th floor, office A5

Tel: (010) 54 56 70

E-mail: info@dimension.am

Website: www.dimension.am



DIMENSION
INVESTMENTS

«Dimension» CJSC is under
the Central Bank of
Armenia's supervision.