



## **Frontclear structuring smoothens out repo transaction for Armswissbank** ***Third repo with EBRD demonstrates easier access to liquidity for the Armenian bank***

AMSTERDAM, 11 February 2019 — Tapping the global capital market for liquidity has become easier for Armenian bank, Armswissbank CJSC as evident in the third Frontclear-structured and -guaranteed repurchase (repo) agreement with European Bank for Reconstruction and Development (EBRD).

The third repo agreement recently completed figured an AMD 2.16-billion (USD 4.4 million) loan facility to Armswissbank for a period of one year against Armenian government US Dollar Eurobonds.

“Our first transaction was completed in March 2018 and involved significant preparatory work. It then opened up opportunities for Armswissbank to tap liquidity in the global capital market in quick treasury type transactions. With three successful transactions in a row, this shows that this structure serves as an effective and quick liquidity tool for Armswissbank and possibly for other Armenian commercial banks,” Andrei Shinkevich, Senior VP Frontclear said.

Since March last year, total notional value of repo transactions between Armswissbank and EBRD have reached USD13.5 million. All of which were 100 percent guaranteed by Frontclear.

“Our continued success in accessing foreign funding allows us to remain responsive to the needs of our customers. Furthermore, our sustained collaboration with international market players solidifies our position in the Armenian financial sector and exposes us to transactions adopting international best practices,” according to Karen Turyan, Armswissbank Deputy CEO – Director of Investment Department.

“These transactions were made possible by improving the legal and regulatory environment for derivative and repo transactions in Armenia, a result of the Armenia’s Central Bank’s efforts and EBRD’s policy engagement. EBRD is committed to provide further technical expertise and continued participation in the AMD repo market with the view to support further development of the Armenian Dram,” Aude Pacatte, EBRD Director of Portfolio Management, noted.

Frontclear, as part of its technical assistance program, has completed implementation of the Money Market Development Framework (MMDF) in Armenia in April 2018. This effort assisted regulators in laying the groundwork for further money market development in the country.

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### **About Frontclear**

**Frontclear** is a development finance company dedicated to stable and inclusive money markets. Its investors are largely European development financial institutions. Frontclear has unlocked access to global and local interbank markets for EMDC banks by providing credit guarantees to cover counterparty credit risk, on the condition that local currency assets can be used for collateral management purposes. Complementarily, Frontclear offers technical assistance and implements regulator roundtables, advisory projects on legal enforceability, industry training and market infrastructure development – all targeting the development of a healthy money markets. To-date, Frontclear has issued over USD 240 million in guarantees on transactions with USD 490 million in notional. It has trained over 900 obligors and regulators in over 13 countries and signed a near dozen partnerships with central banks and local beneficiaries. For further information, please visit [www.frontclear.com](http://www.frontclear.com).

**About ARMSWISSBANK**

Established in 2004, **Armswissbank** is a dynamically growing financial institution, operating as a private, corporate and investment bank, with a strong emphasis on brokerage services and liquidity management for Armenia's financial sector. The Bank conducts its activity remaining loyal to corporate, investment and private banking principles accepted in international practice.

The Bank currently cooperates with a number of international organizations, particularly, European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), Factors Chain International (FCI), KFW, etc. For more information, visit [www.armswissbank.am](http://www.armswissbank.am).

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