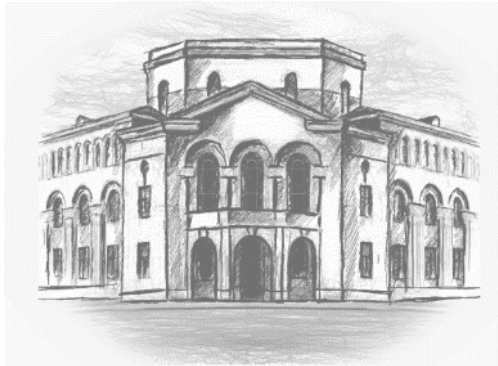


# Republic of Armenia Government Debt

as of June 30, 2025



MINISTRY OF FINANCE

July, 2025



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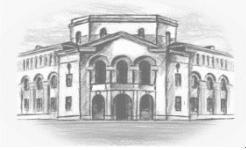


## Public Debt and Government Debt

- Public Debt in AMD has increased during the January-June of 2025 by 4.5% compared to the end of 2024, and Public debt expressed in USD has increased by 7.9%.
- The difference between debt changes in AMD and USD is due to the different exchange rates used for debt conversion. As of the end of 2024 the AMD/USD exchange rate was 396.6 AMD and as of the end of June 2025 the AMD/USD exchange rate was 384.3.
- Government Debt in AMD has increased by 4.8% and Central Bank Debt has decreased by 2.2%.

AMD billion	31.12.2024	30.06.2025	Change %
<b>Public Debt</b>	<b>5,092.7</b>	<b>5,323.7</b>	<b>4.5</b>
<b>Government Debt</b>	<b>4,892.8</b>	<b>5,128.2</b>	<b>4.8</b>
<i>External debt</i>	2,359.6	2,472.9	4.8
<i>Domestic debt</i>	2,533.3	2,655.2	4.8
<b>External Debt of the Central Bank</b>	<b>199.9</b>	<b>195.5</b>	<b>(2.2)</b>

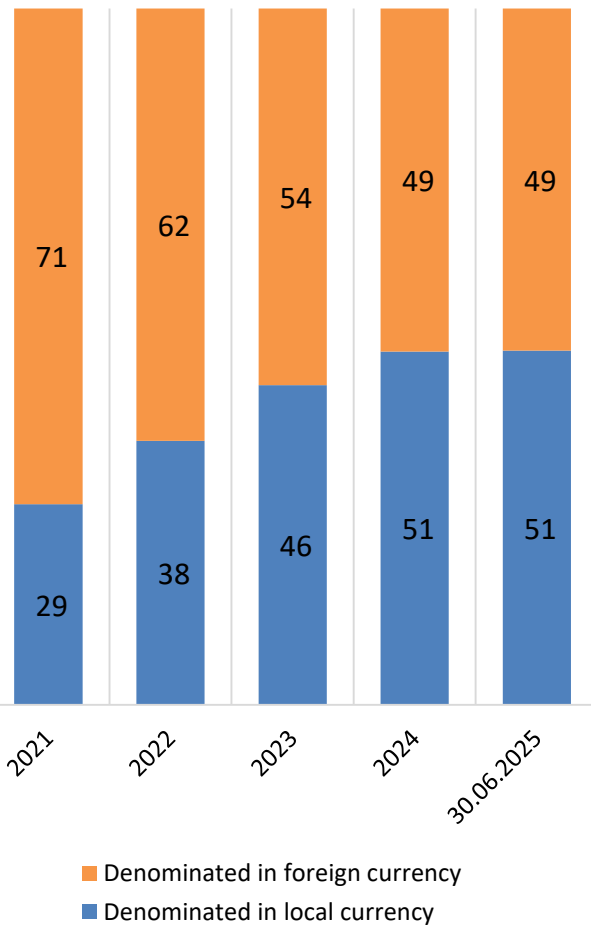
USD million	31.12.2024	30.06.2025	Change %
<b>Public Debt</b>	<b>12,842.2</b>	<b>13,852.1</b>	<b>7.9</b>
<b>Government Debt</b>	<b>12,338.2</b>	<b>13,343.4</b>	<b>8.1</b>
<i>External debt</i>	5,950.1	6,434.6	8.1
<i>Domestic debt</i>	6,388.1	6,908.8	8.2
<b>External Debt of the Central Bank</b>	<b>504.0</b>	<b>508.7</b>	<b>0.9</b>



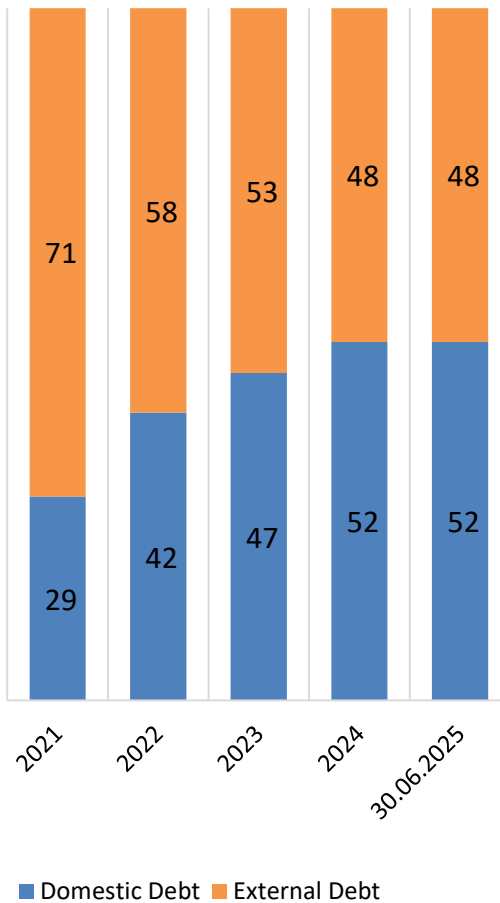
# Improvement of Government Debt structure

- Under the Government Debt risk management the shares of local currency-denominated debt and domestic debt increased by 5 percentage points, compared to the end of 2023.
- Fixed rate debt exceeded the minimum threshold set by the Debt Strategy – 80%.

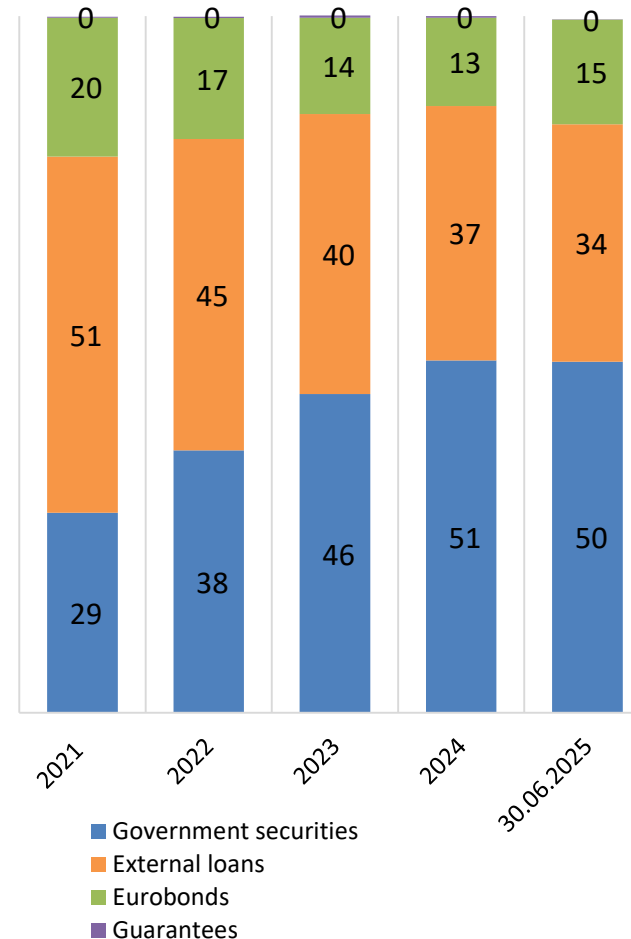
## By Currency



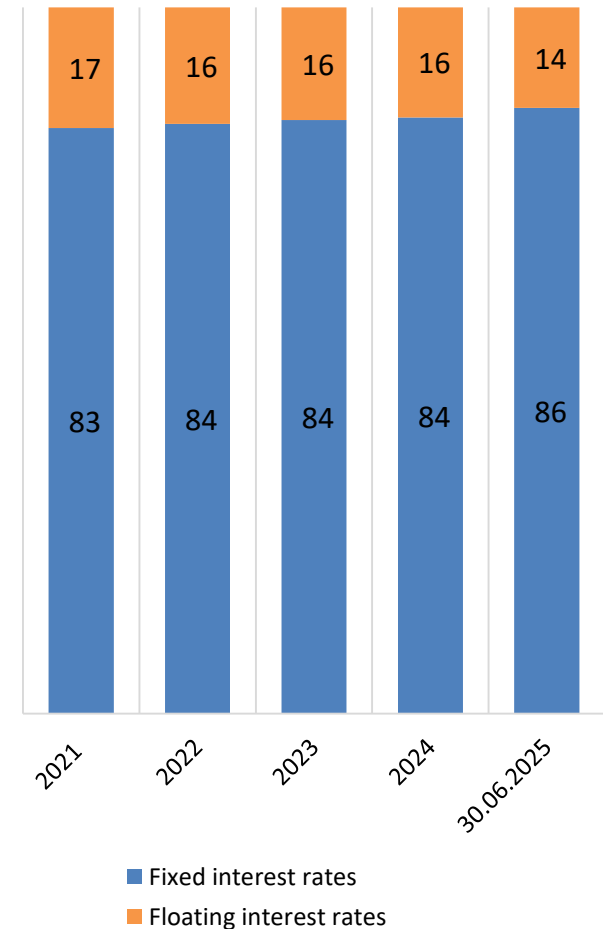
## By residency

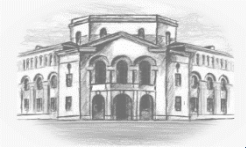


## By Instrument



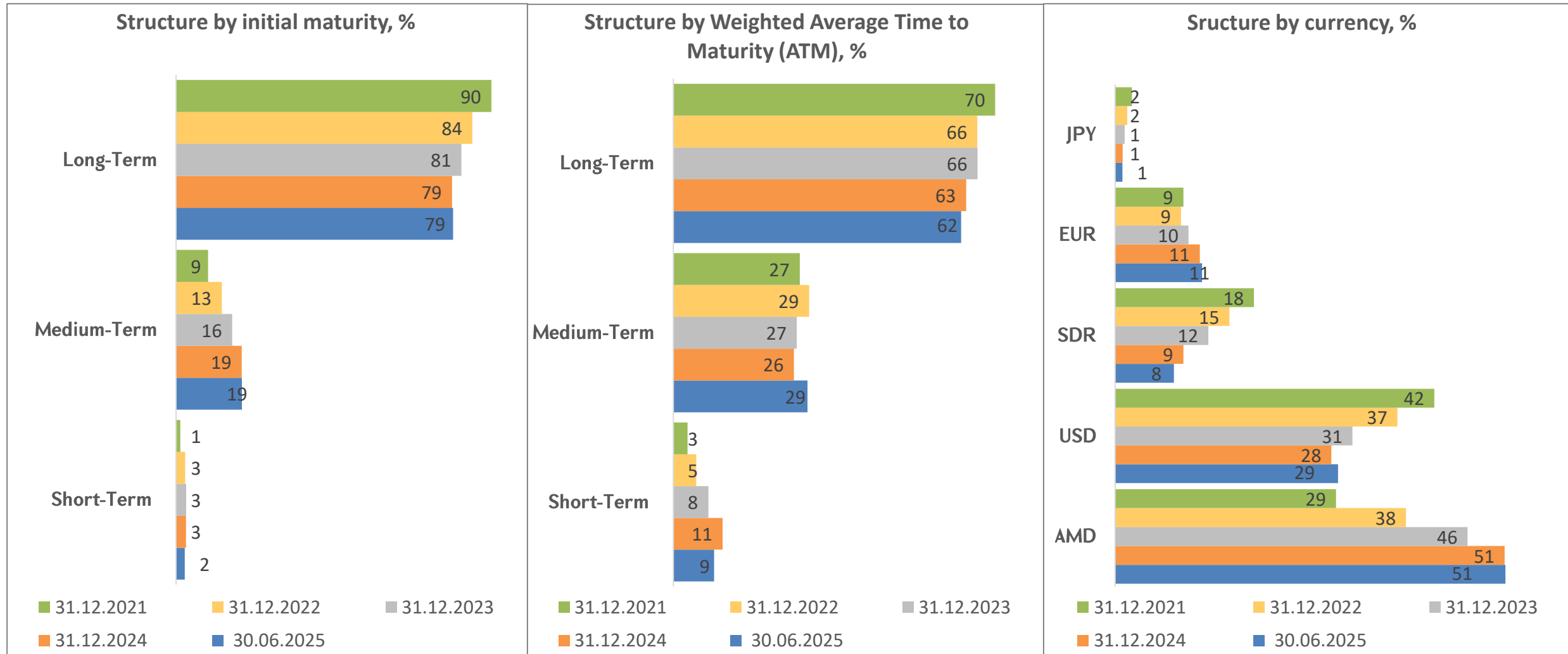
## By Interest Rate Type





# Government Debt Structure

- To manage refinancing risk, the Government maintains a significant share of long-term debt, despite a slight decline.



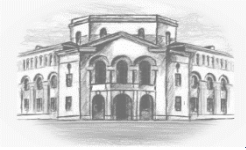


## Government Domestic Debt

- Government Treasury Securities are the major component of domestic debt (91.6%).
- Domestic Debt has increased by AMD 121.9 billion compared to the end of 2024, caused by the increase of Treasury Securities (AMD 128.0 billion), the Eurobonds purchased by residents decreased by AMD 21.0 billion.
- Eurobonds purchased by residents have decreased by 6.6% (USD 36.9 million) compared to the end of 2024 and amounted to USD 519.7 million (26.0% of total Eurobonds).

AMD billion	31.12.2024	30.06.2025	Change AMD billion	Change %
<i>Domestic Debt</i>	<b>2,533.3</b>	<b>2,655.2</b>	<b>121.9</b>	<b>4.8</b>
of which				
Domestic Credits and Loans	-	-	-	-
Government Treasury Securities purchased by residents	2,303.0	2,431.0	128.0	5.6
Eurobonds purchased by residents	220.7	199.7	(21.0)	(9.5)
Domestic guarantees	9.5	24.5	15.0	156.8

USD million	31.12.2024	30.06.2025	Change USD million	Change %
<i>Domestic Debt</i>	<b>6,388.1</b>	<b>6,908.8</b>	<b>520.8</b>	<b>8.2</b>
of which				
Domestic Credits and Loans	-	-	-	-
Government Treasury Securities purchased by residents	5,807.4	6,325.4	518.0	8.9
Eurobonds purchased by residents	556.6	519.7	(36.9)	(6.6)
Domestic guarantees	24.1	63.8	39.7	165.0

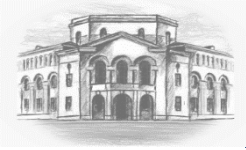


## Government External Debt

- The main components of the Government External Debt are external loans (70.7%) and Eurobonds purchased by non-residents (23.0%).
- The increase in external debt occurred due to a 42.5% increase in Eurobond purchased by non-residents.
- The volume of External Loans and Treasury Securities purchased by non-residents decreased in AMD terms.

AMD billion	31.12.2024	30.06.2025	Change AMD billion	Change %
<i>External Debt</i>	<b>2,359.6</b>	<b>2,472.9</b>	<b>113.4</b>	<b>4.8</b>
of which				
External Credits and Loans	1,786.8	1,748.2	(38.6)	(2.2)
Government Treasury Securities purchased by non-residents	171.0	153.2	(17.9)	(10.4)
Eurobonds purchased by non-residents	399.2	568.9	169.8	42.5
External guarantees	2.6	2.7	0.1	4.1

USD million	31.12.2024	30.06.2025	Change USD million	Change %
<i>External Debt</i>	<b>5,950.1</b>	<b>6,434.6</b>	<b>484.5</b>	<b>8.1</b>
of which				
External Credits and Loans	4,505.8	4,548.8	43.0	1.0
Government Treasury Securities purchased by non-residents	431.3	398.6	(32.7)	(7.6)
Eurobonds purchased by non-residents	1,006.5	1,480.3	473.8	47.1
External guarantees	6.5	6.9	0.5	7.4



## Foreign Currency Denominated Bonds

- *To support macroeconomic and fiscal stability and bolster the external balance of payments, the Government of Armenia successfully issued USD 750 million 10-year maturity Eurobonds on March 12, 2025. The proceeds from Eurobonds (USD 731.4 million / AMD 287.4 billion) were allocated to finance the 2025 state budget deficit.*
- *The yield at issuance was 7.1%, while the coupon rate (the interest rate for servicing the debt) was set at 6.75%.*
- *The spread over the 10-year US Treasury stood at 286 basis points, close to the 284 basis points recorded during Armenia's 2021 issuance. However, it remains below the spreads of peer countries (Uzbekistan, Romania, Turkey, South Africa, Jordan, and Georgia), which have seen a notable widening over the past four years.*





# Government External Loans

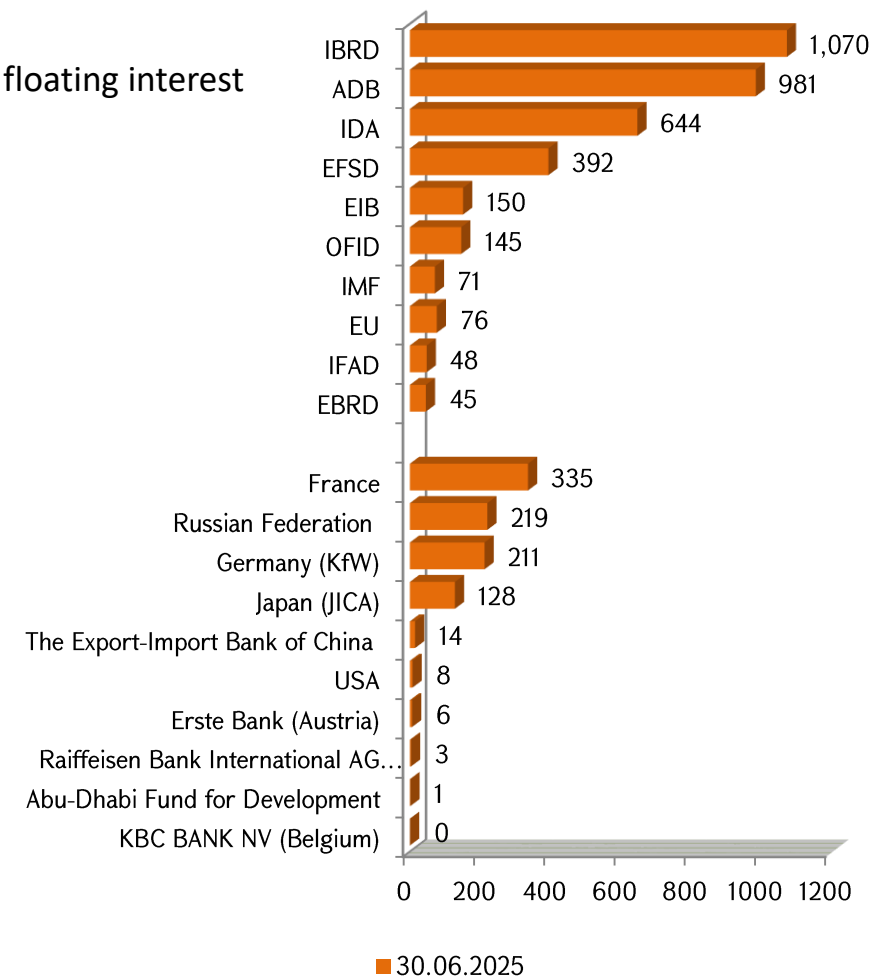
- As of end-2024, the weighted average interest rate on external loans decreased by 0.1 percentage points, while the average time to maturity was reduced by 0.1 years.
- The share of IBRD and ADB increased by 0.4% and 0.3% respectively, IDA and IMF shares decreased by 0.2% and 1.8% compared to the end of 2024.
- The reduction in interest payments due to the decrease in the stock of external loans and the effect of floating interest rates.

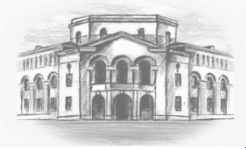
	31.12.21	31.12.22	31.12.23	31.12.24	30.06.25
<b>External Loans (USD mln)</b>	<b>4,481</b>	<b>4,504</b>	<b>4,536</b>	<b>4,506</b>	<b>4,549</b>
Of which					
Multilateral Creditors	3,468	3,496	3,590	3,607	3,623
Bilateral Creditors	997	994	934	889	916
Commercial Banks	17	14	12	9	9
Weighted Average Interest Rate, %	1.5	3.2	3.6	3.5	3.4
Weighted Average Time to Maturity (ATM), years	7.9	7.5	7.3	7.4	7.3

External loans transactions, USD million			
	2023year January -June	2024year January - June	2025year January -June
Interest Payments	70.6	83.6	81.5
Principal Payments	121.3	205.9	225.1
Disbursements	48.7	75.4	36.8

	31.12.21	31.12.22	31.12.23	31.12.24	30.06.25
<b>Structure of External Loans by interest rate type, %</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Loans with floating rate	33.4	36.9	39.7	42.7	41.8
Loans with fixed rate	66.6	63.1	60.3	57.3	58.2

Structure of External Loans by Creditors (USD mln)

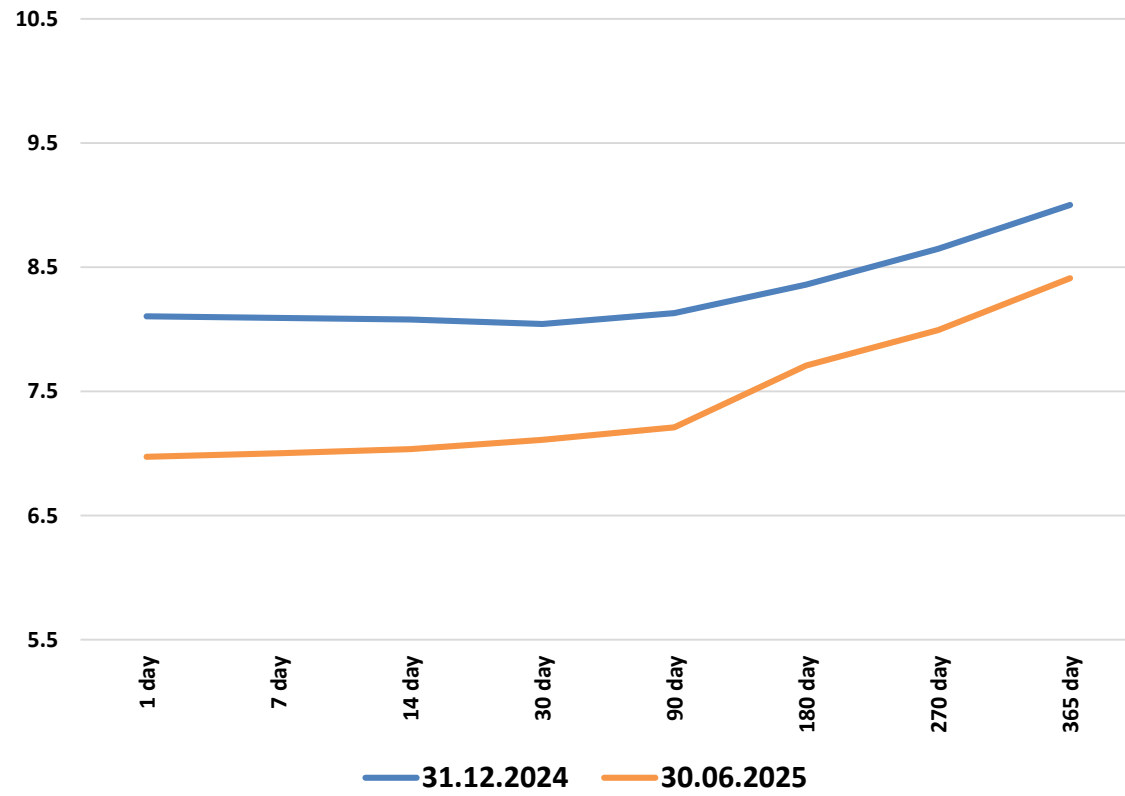




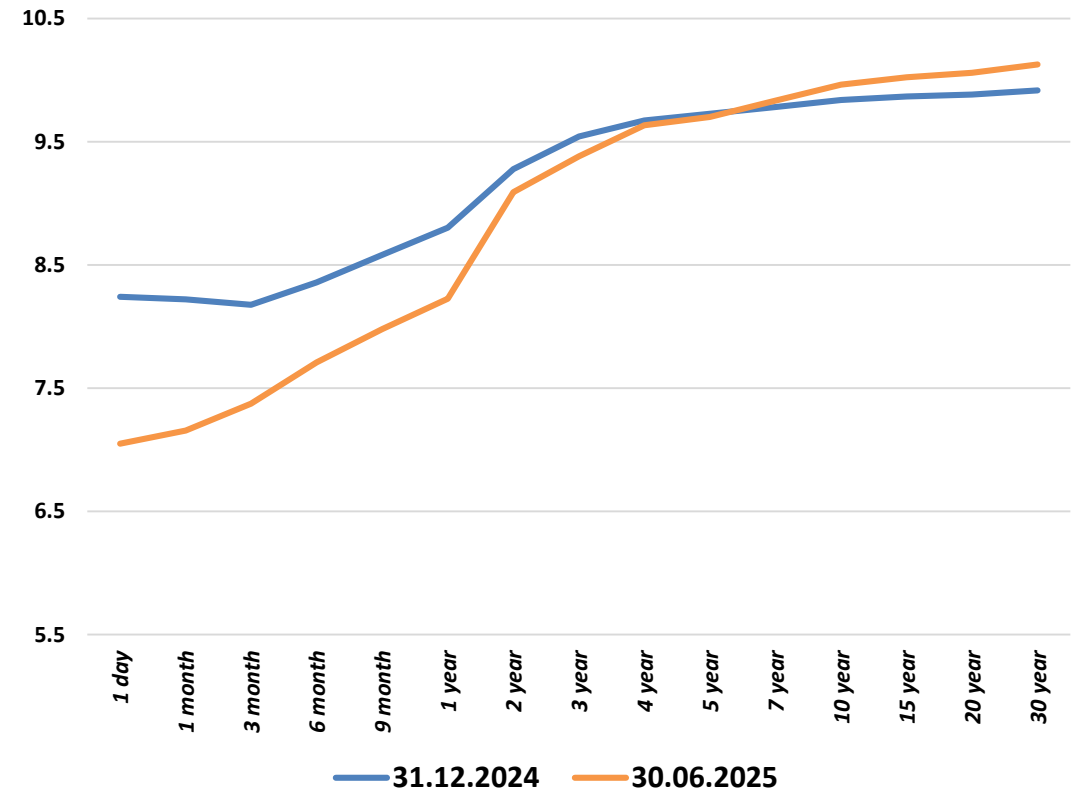
# Yield Curves of Government Treasury Securities

- Yields have declined across the curve compared to the end of 2024.
- The short end of the yield curve is declining faster, the long end is adjusting.

Yield Curve for T-Bills (%)



Yield Curve for T-Bonds (%)





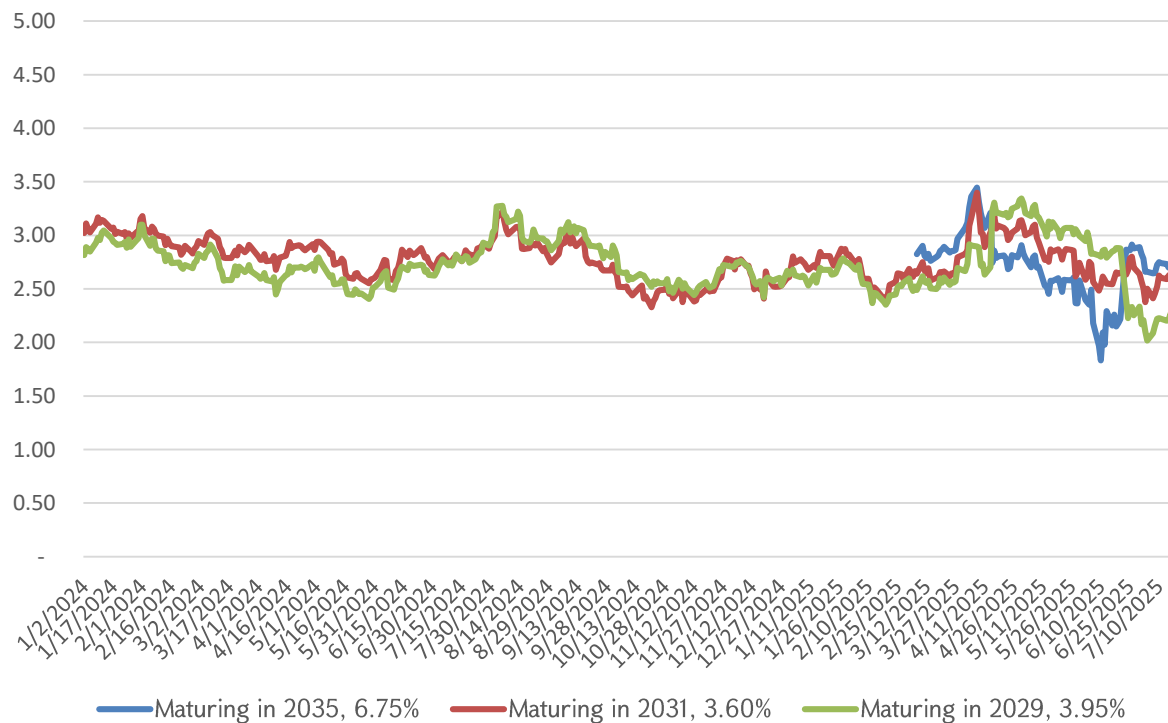
# Pricing Dynamics of Eurobonds

- The pricing of Armenia's Eurobonds fluctuates in line with US Treasury securities of comparable maturity.

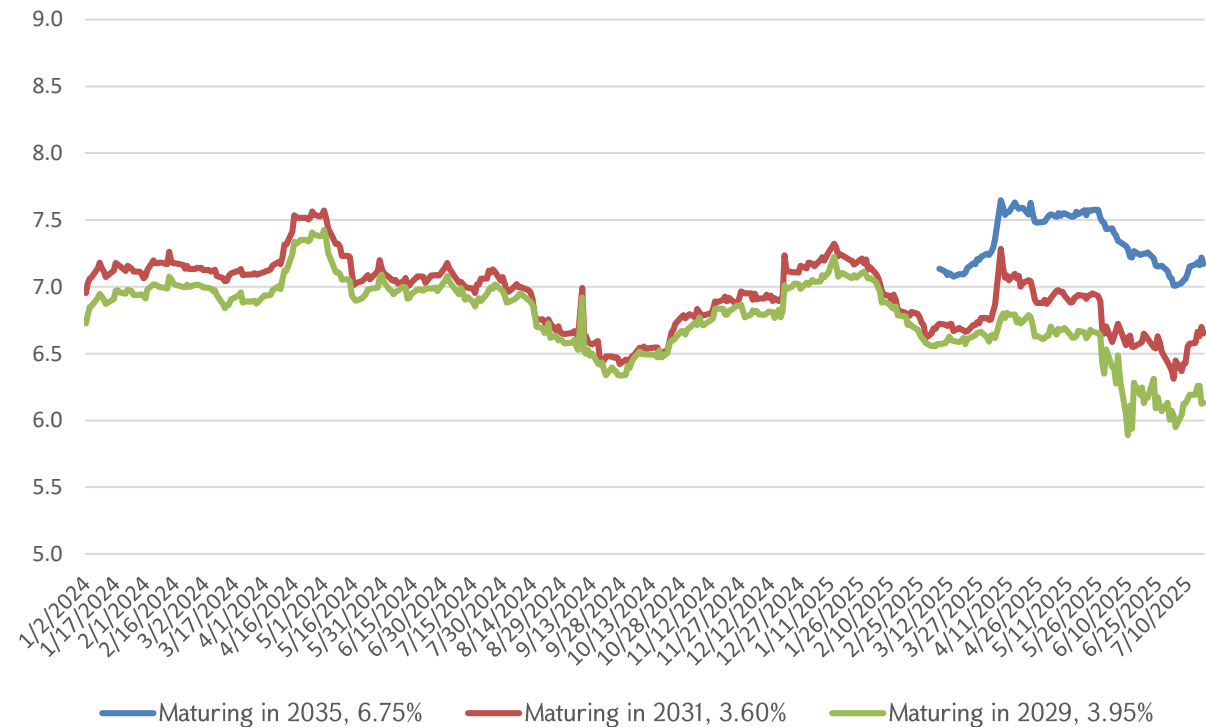
As of 30.06.2025

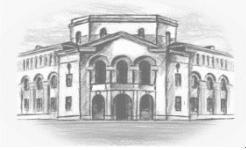
	2029	2031	2035
%	6.1	6.4	7.1
Spread	233.4	263.8	288.9

## Eurobonds Spreads

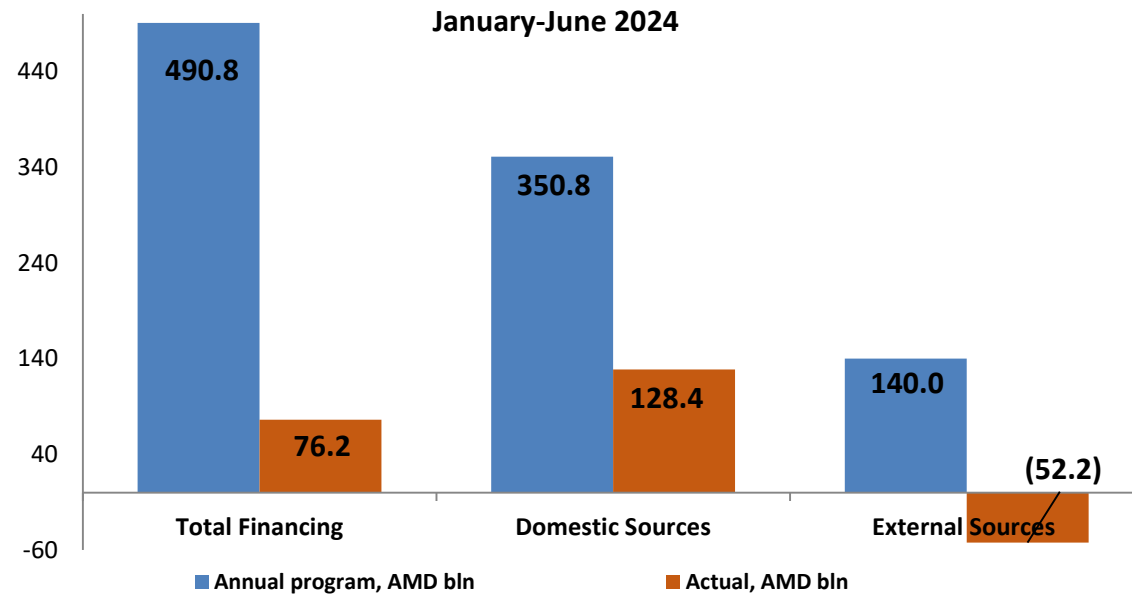
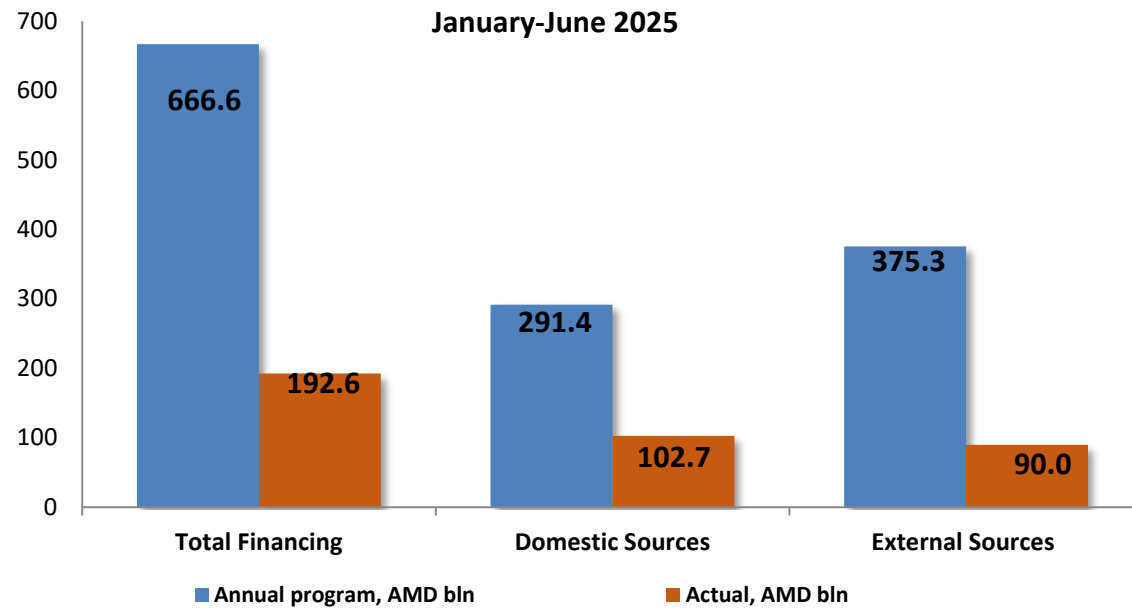


## Secondary Market Pricing

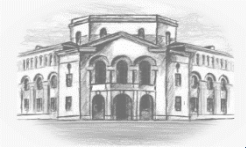




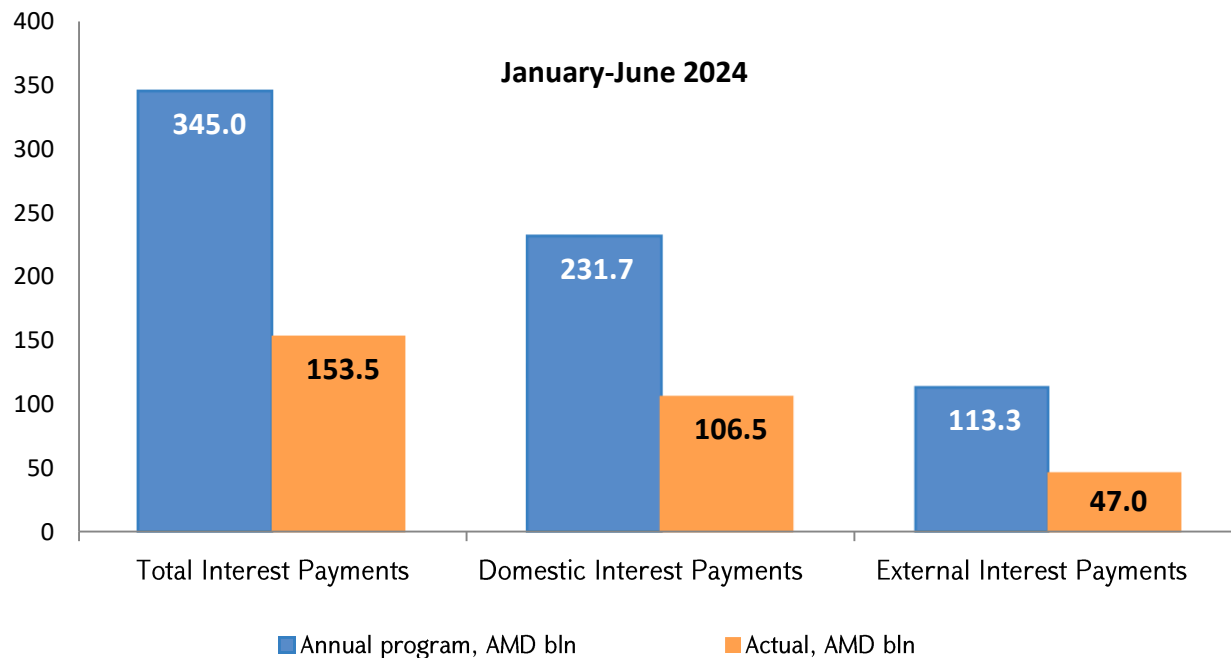
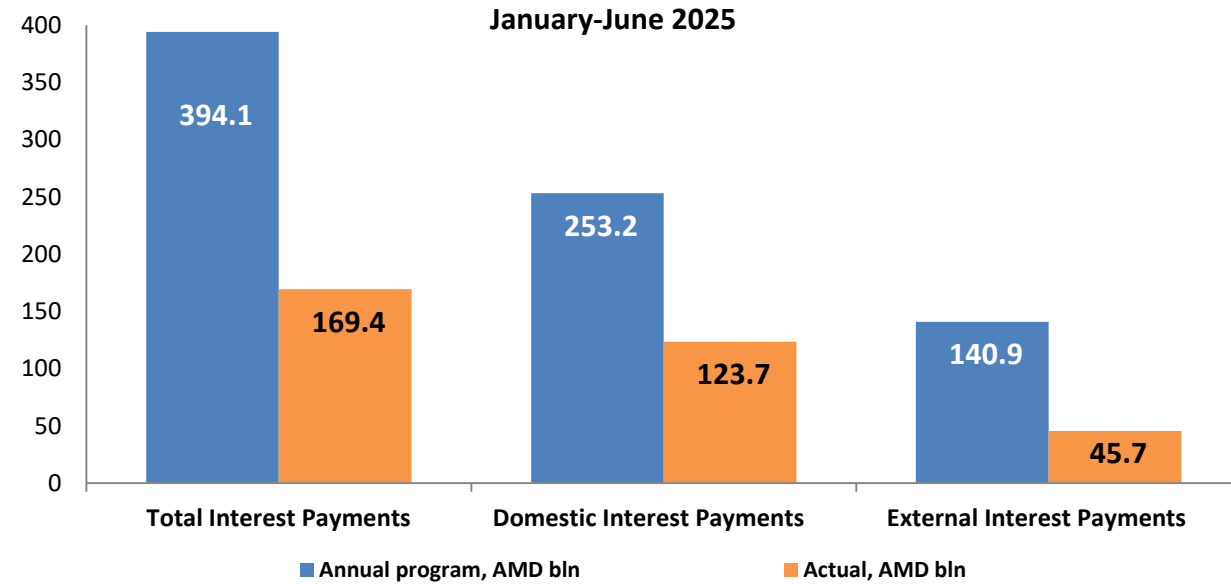
# State Budget Deficit Financing from the Net Borrowings



AMD billion	01.01.23-30.06.23	%	01.01.24-30.06.24	%	01.01.25-30.06.25	%
Financing of the state budget deficit from the net borrowings	130.5	100.0	76.2	100.0	192.6	100.0
From domestic sources	159.2	122.0	128.4	168.5	102.7	53.3
proceeds from placement of Government Treasury Securities	159.2		128.4		102.7	
proceeds from placement	295.8		331.1		374.1	
repayments / buyback	(136.6)		(202.7)		(271.5)	
From external sources	(28.7)	(23.2)	(52.2)	(68.5)	90.0	46.7
Credits and Loans	(28.7)		(52.2)		(74.1)	
disbursements	18.9		29.5		14.4	
project loans	18.9		29.5		14.4	
budget support loans	-		-		-	
repayments	(47.6)		(81.7)		(88.4)	
proceeds from placement of Foreign Currency Denominated Bonds	-		-		164.0	
proceeds from placement	-		-		287.4	
repayments / buyback	-		-		(123.4)	



# Interest payments



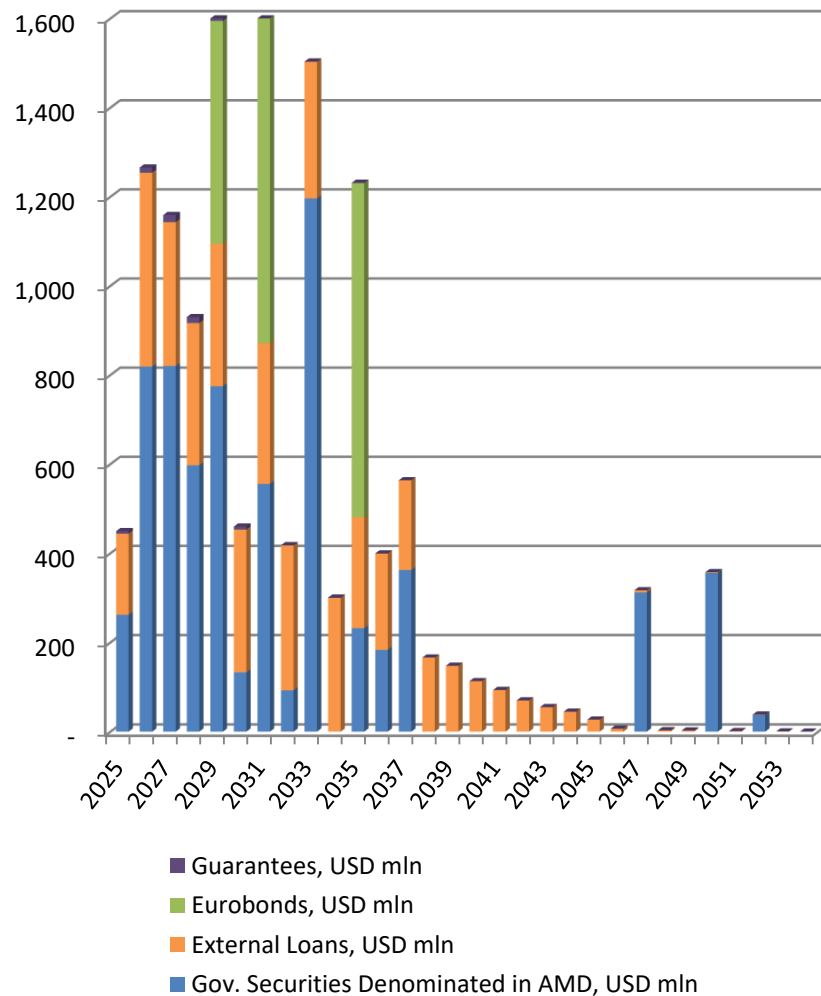
AMD bln	01.01.23-30.06.23	%	01.01.24-30.06.24	%	01.01.25-30.06.25	%
Total Interest Payments	116.5	100.0	153.75	100.0	169.4	100.0
Domestic Interest Payments	72.7	6,324	106.5	69.4	123.7	73.0
Interest Payments on Government Treasury Securities	72.7	62.4	106.5	69.4	123.7	73.0
External Interest Payments	43.8	37.6	47.0	30.6	45.7	27.0
Interest Payments on External Loan and Credits	27.6	23.7	33.1	21.5	32.0	18.9
Interest Payments on Foreign Currency Denominated Bonds	16.2	13.9	13.9	9.1	13.7	8.1



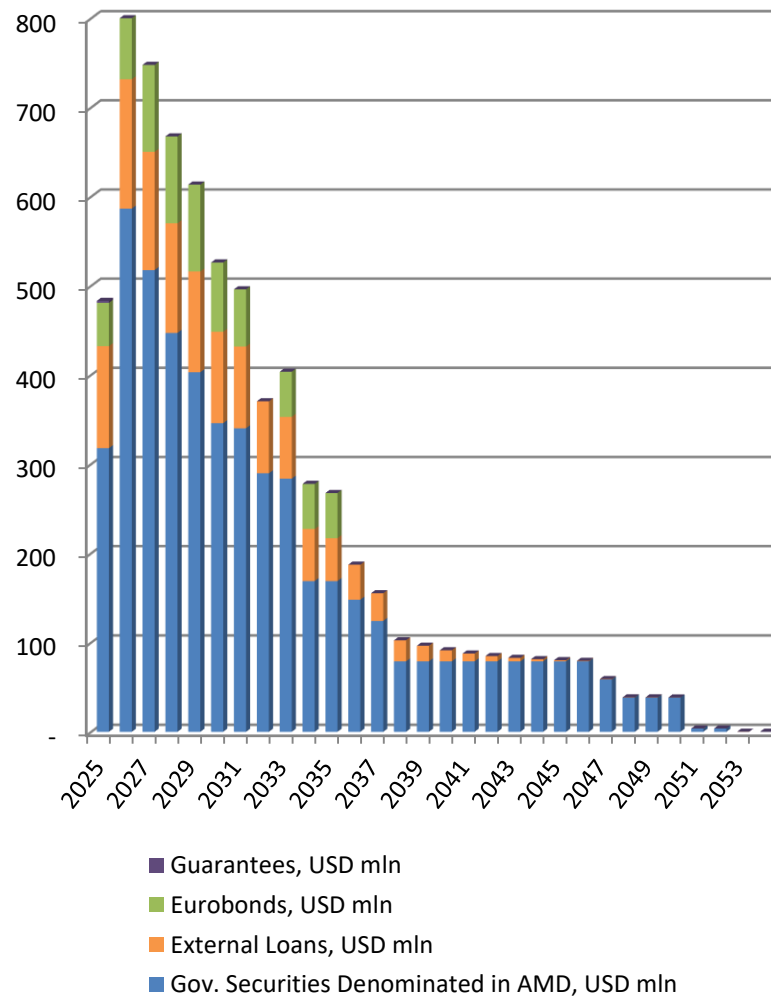
# Redemption and Servicing Profiles of Government Debt

- Government debt repayments are scheduled until 2054.
- From a refinancing risk perspective, the Eurobond maturities in 2029, 2031, and 2035 are particularly notable, as well as the 2033 maturity of Treasury bonds.

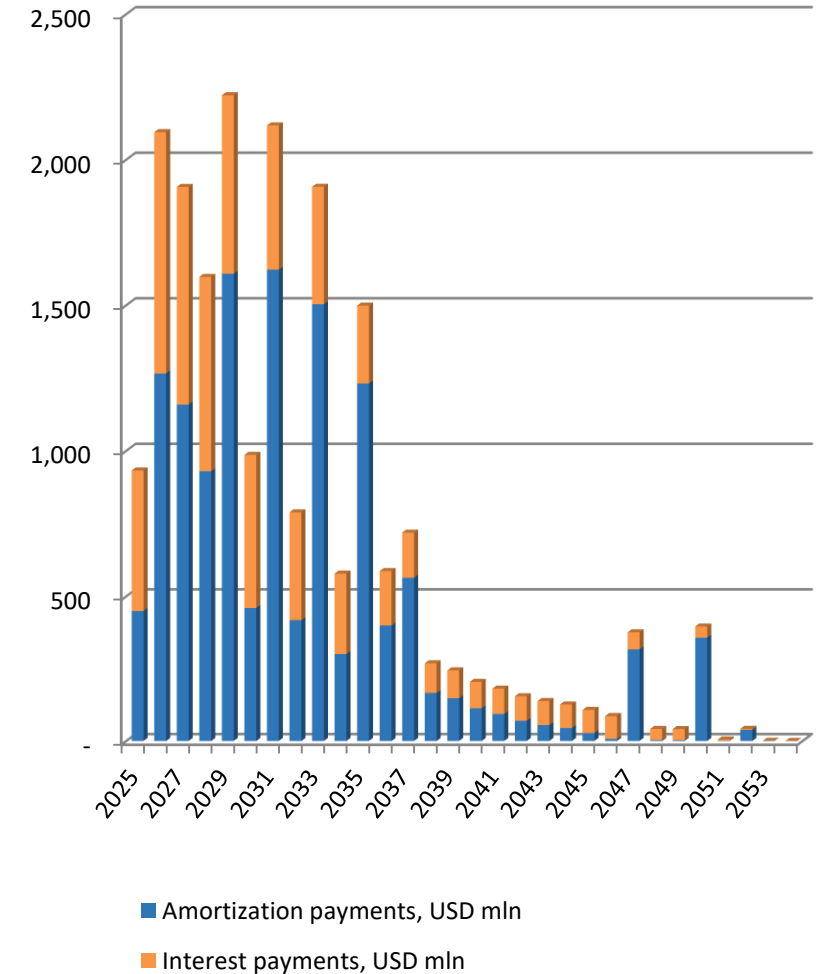
## Redemption Profile of Government Debt

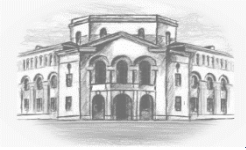


## Servicing Profile of Government Debt



## Amortization and Servicing Profiles of Government Debt





## Government Debt Profile Risk Indicators and Maintaining Benchmarks

- Almost all benchmarks set by Government Debt Management Strategy were maintained.
- The weighted average interest rate remains unchanged compared to 2024.

	Benchmark	31.12.2023 Actual	31.12.2024 Actual	30.06.2025 Actual
Weighted Average Interest Rate, %		7.0	7.2	7.2
<b>Refinancing risk</b>				
Weighted Average Time to Maturity (ATM), years	7 - 10	7.4	6.9	7.1
Debt Share Maturing in Upcoming 3 Years, %	maximum 35%	28.6	29.6	27.2
The share of Government Treasury Securities maturing in the next year in total TS (at the end of the year), %	maximum 20%	11.8	13.0	16.0
<b>Interest rate risk</b>				
The share of fixed rate debt in the total debt, %	at least 80%	84.1	84.4	85.8
Weighted Average Time to Refixing (ATR), years		6.4	5.6	5.9
Debt Share Refixing in Upcoming 365 Days, %		21.6	26.3	24.1
<b>Exchange rate risk</b>				
Share of domestic debt in total debt, %	at least 40%	47.3	51.8	51.8
Share of AMD denominated debt in total debt, %	at least 40%	45.9	50.8	50.9