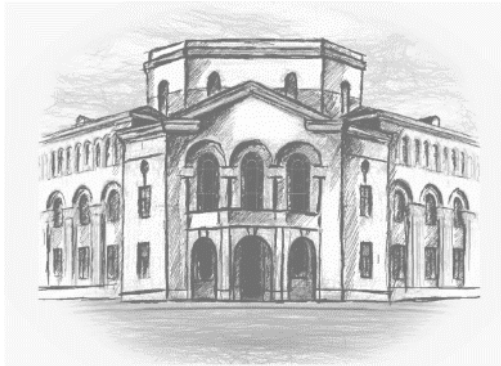


Republic of Armenia Government Debt

as of December 31, 2024



MINISTRY OF FINANCE

January, 2025



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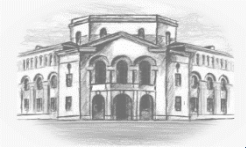


Public Debt and Government Debt

- Public Debt in AMD has increased during the January-December of 2024 by 6.2% compared to the end of 2023, and Public debt expressed in USD has increased by 8.4%.
- The difference between changes of debt in AMD and USD is due to the different exchange rates used for debt conversion. As of the end of 2023 the AMD/USD exchange rate was 404.8 AMD and as of the end of September 2024 the AMD/USD exchange rate was 396.6.
- Government Debt has increased by 7.0% and Central Bank Debt has decreased by 10.4%.

AMD billion	31.12.2023	31.12.2024	Change %
Public Debt	4,794.9	5,092.7	6.2
Government Debt	4,571.9	4,892.8	7.0
<i>External debt</i>	2,408.8	2,359.6	(2.0)
<i>Domestic debt</i>	2,163.2	2,533.3	17.1
External Debt of the Central Bank	223.0	199.9	(10.4)

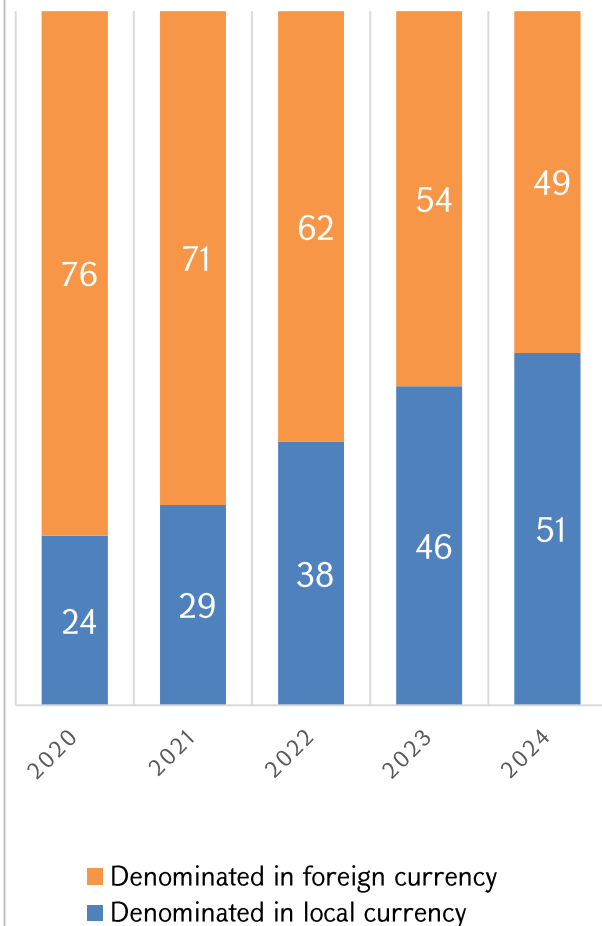
USD million	31.12.2023	31.12.2024	Change %
Public Debt	11,845.4	12,842.2	8.4
Government Debt	11,294.6	12,338.2	9.2
<i>External debt</i>	5,950.7	5,950.1	(0.01)
<i>Domestic debt</i>	5,343.9	6,388.1	19.5
External Debt of the Central Bank	550.8	504.0	(8.5)



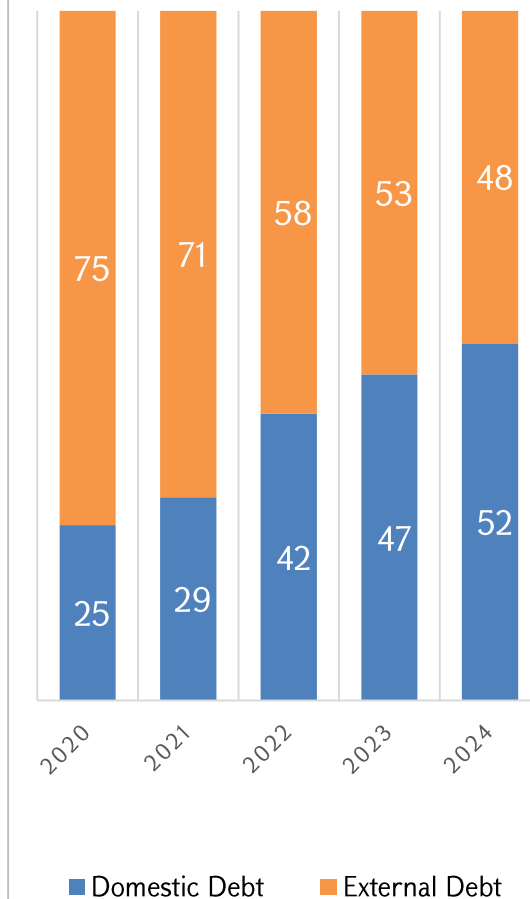
Improvement of Government Debt structure

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

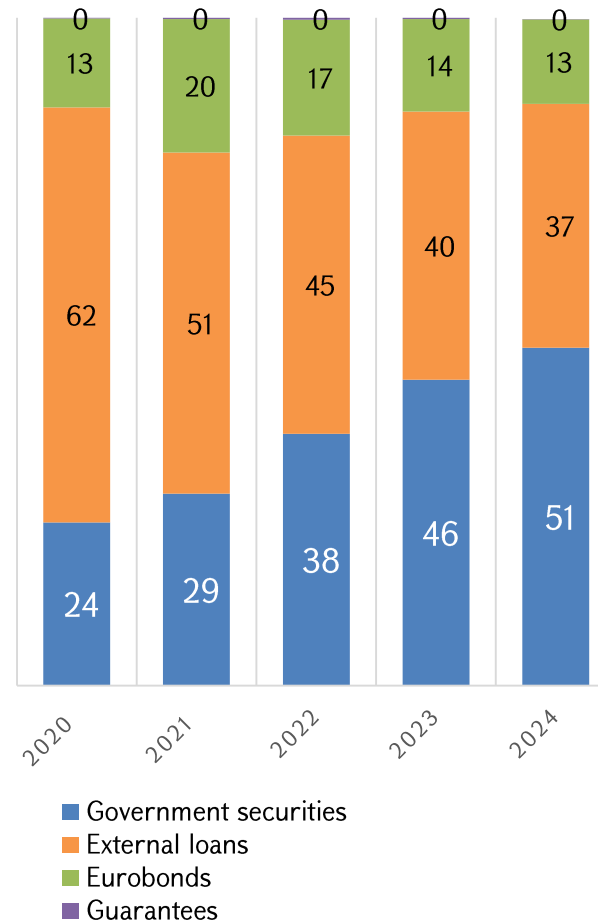
By Currency



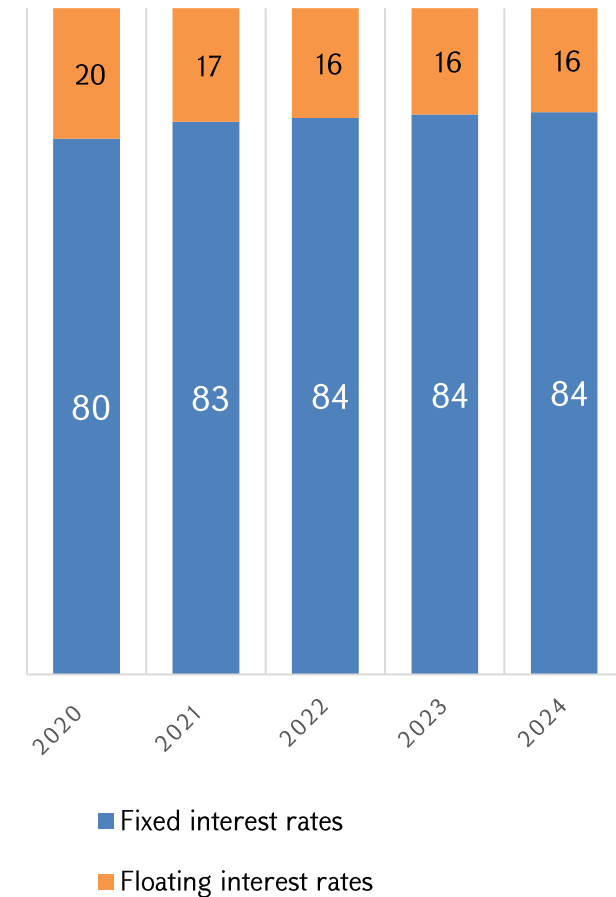
By residency

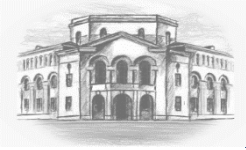


By Instrument



By Interest Rate Type

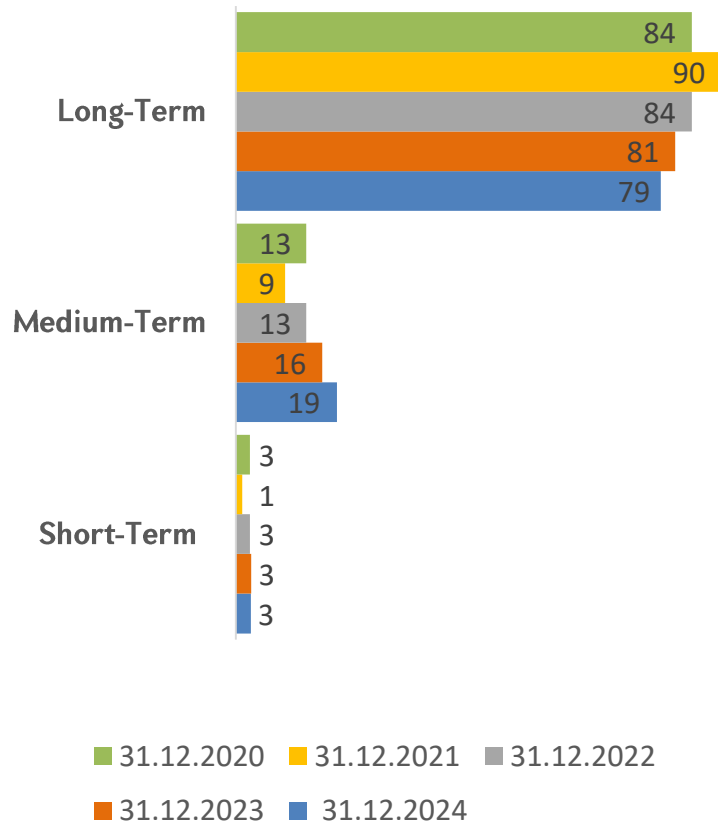




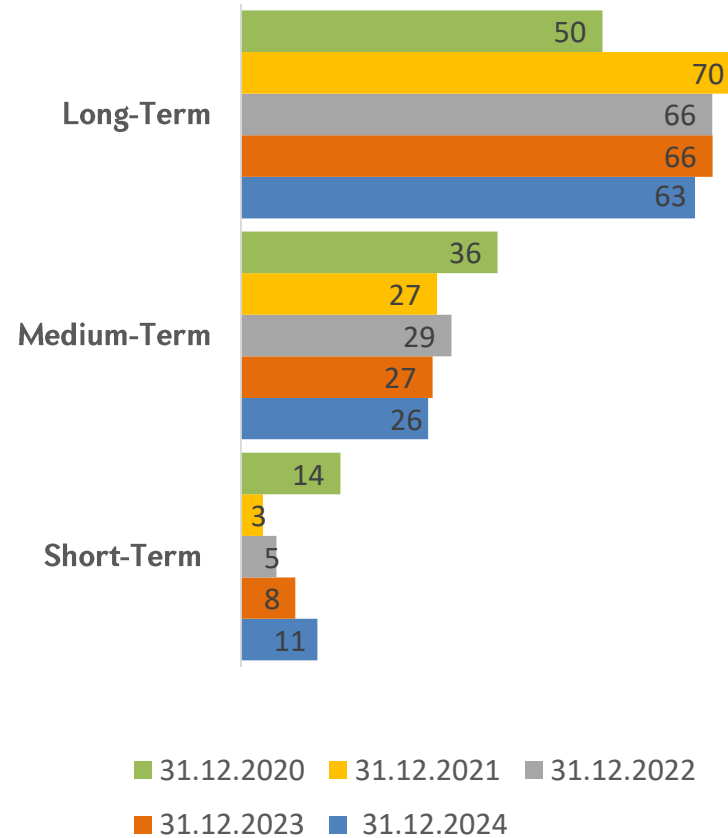
Government Debt Structure

- For refinancing risk management purposes the Government keeps the share of long-term debt significant.

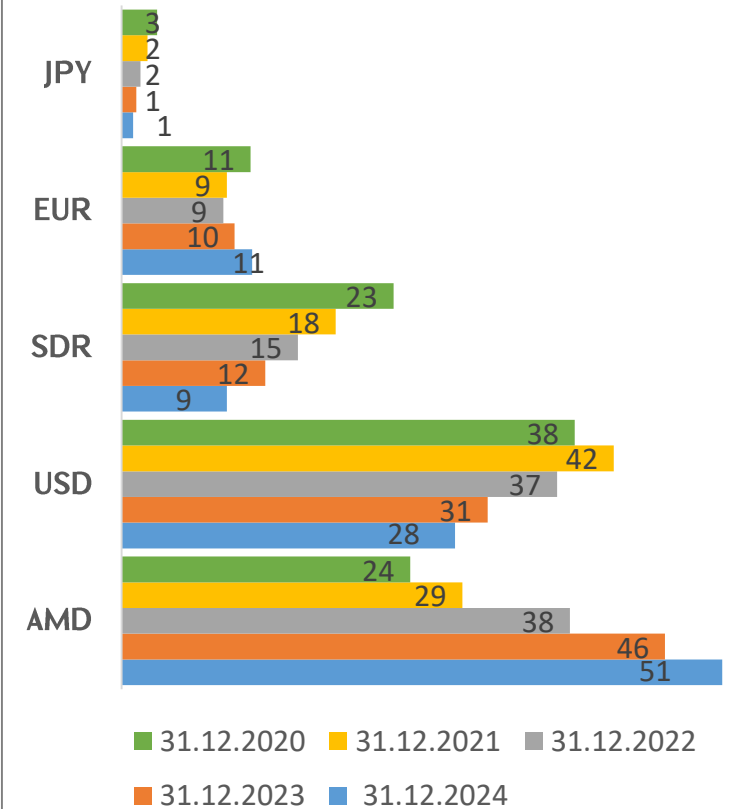
Structure by initial maturity, %



Structure by Weighted Average Time to Maturity (ATM), %



Structure by currency, %



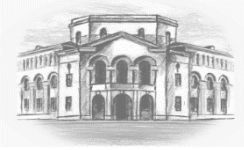


Government Domestic Debt

- Government Treasury Securities are the major component of domestic debt (90.9%).
- Domestic Debt has increased by AMD 370.1 billion compared to the end of 2023, mainly caused by the increase of Treasury Securities (AMD 356.1 billion) and Eurobonds (AMD 11.6 billion) purchased by residents.
- Eurobonds purchased by residents have increased by 7.8% or USD 40.1 million and amounted to USD 556.6 million (35.6% of total Eurobonds) compared to the end of 2023.

AMD billion	31.12.2022	31.12.2023	31.12.2024	Change AMD billion	Change %
<i>Domestic Debt</i>	1,650.0	2,163.2	2,533.3	370.1	17.1
of which					
Domestic Credits and Loans	-	-	-	-	-
Government Treasury Securities purchased by residents	1,452.3	1,946.9	2,303.0	356.1	18.3
Eurobonds purchased by residents	188.5	209.1	220.7	11.6	5.6
Domestic guarantees	9.2	7.2	9.5	2.4	32.9

USD million	31.12.2022	31.12.2023	31.12.2024	Change USD million	Change %
<i>Domestic Debt</i>	4,192.3	5,343.9	6,388.1	1,044.2	19.5
of which					
Domestic Credits and Loans	-	-	-	-	-
Government Treasury Securities purchased by residents	3,690.0	4,809.6	5,807.4	997.8	20.7
Eurobonds purchased by residents	479.0	516.5	556.6	40.1	7.8
Domestic guarantees	23.3	17.7	24.1	6.3	35.6



Government External Debt

- The main components of the Government External Debt are external loans (75.7%) and Eurobonds purchased by non-residents (16.9%).
- The decrease in external debt occurred due to a decrease in external loans and Eurobond purchased by non-residents.
- The volume of Treasury Securities purchased by non-residents increased by 17.2%.

AMD billion	31.12.2022	31.12.2023	31.12.2024	Change AMD billion	Change %
<i>External Debt</i>	2,319.7	2,408.8	2,359.6	(49.2)	(2.0)
of which					
External Credits and Loans	1,772.6	1,836.1	1,786.8	(49.3)	(2.7)
Government Treasury Securities purchased by non-residents	44.0	146.0	171.0	25.1	17.2
Eurobonds purchased by non-residents	500.2	423.7	399.2	(24.5)	(5.8)
External guarantees	2.9	3.0	2.6	(0.5)	(15.0)

USD million	31.12.2022	31.12.2023	31.12.2024	Change USD million	Change %
<i>External Debt</i>	5,894.1	5,950.7	5,950.1	(0.6)	(0.01)
of which					
External Credits and Loans	4,503.9	4,536.0	4,505.8	(30.2)	(0.7)
Government Treasury Securities purchased by non-residents	111.8	360.6	431.3	70.7	19.6
Eurobonds purchased by non-residents	1,271.0	1,046.6	1,006.5	(40.1)	(3.8)
External guarantees	7.5	7.4	6.5	(1.0)	(13.2)



Government External Loans

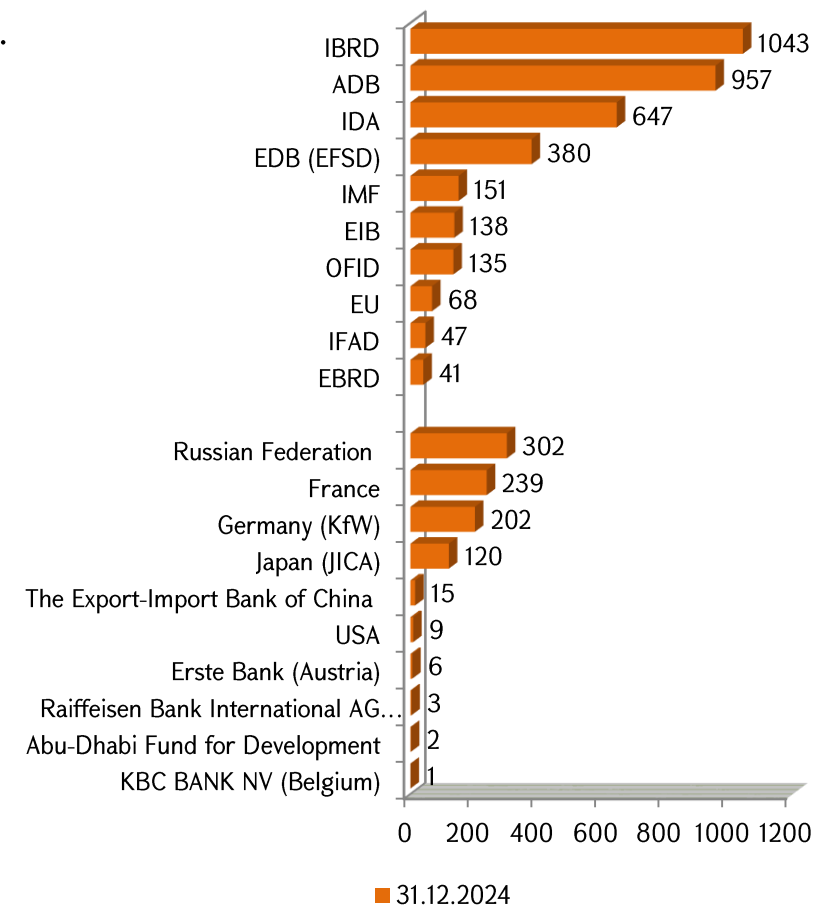
- The weighted average interest rate on external loans increased by 2.0 percentage points, the average time to maturity reduced by 1.0 years compared to the end of 2020.
- The share of IBRD and ADB increased by 2.3 and 2.6 percentage points respectively, IDA and IMF shares decreased by 1.8 and 3.5 percentage points respectively compared to the end of 2023.
- The increase in interest payments is mainly due to the significant rise in floating interest rates.

	31.12.20	31.12.21	31.12.22	31.12.23	31.12.24
External Loans (USD mln)	4,665	4,481	4,504	4,536	4,506
Of which					
Multilateral Creditors	3,588	3,468	3,496	3,590	3,607
Bilateral Creditors	1,056	997	994	934	889
Commercial Banks	21	17	14	12	9
Weighted Average Interest Rate, %	1.5	1.5	3.2	3.6	3.5
Weighted Average Time to Maturity (ATM), years	8.4	7.9	7.5	7.3	7.4

External loans transactions, USD million			
	2022թ. January-December	2023թ. January-December	2024թ. January-December
Interest Payments	81.6	157.6	168.9
Principal Payments	228.5	315.6	421.6
Disbursements	397.9	316.4	504.1

	31.12.20	31.12.21	31.12.22	31.12.23	31.12.24
Structure of External Loans by interest rate type, %	100	100	100	100	100
Floating rate	31.5	33.4	36.9	39.7	42.7
Fixed rate	68.5	66.6	63.1	60.3	57.3

Structure of External Loans by Creditors (USD mln)

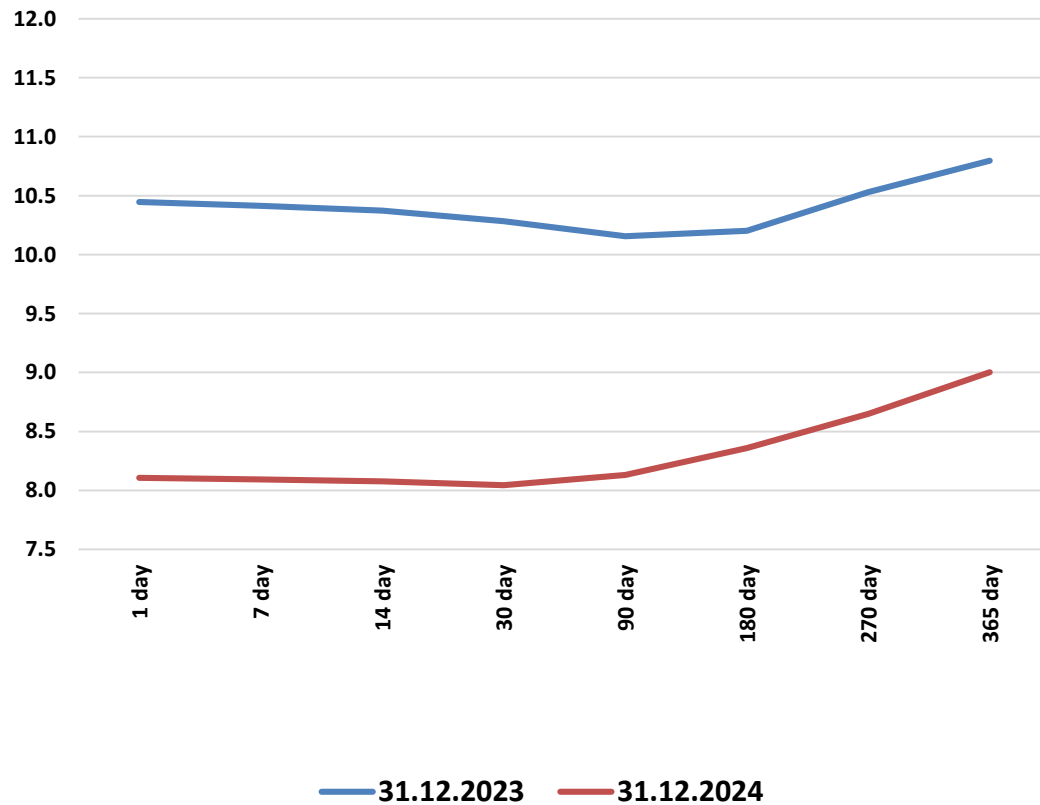




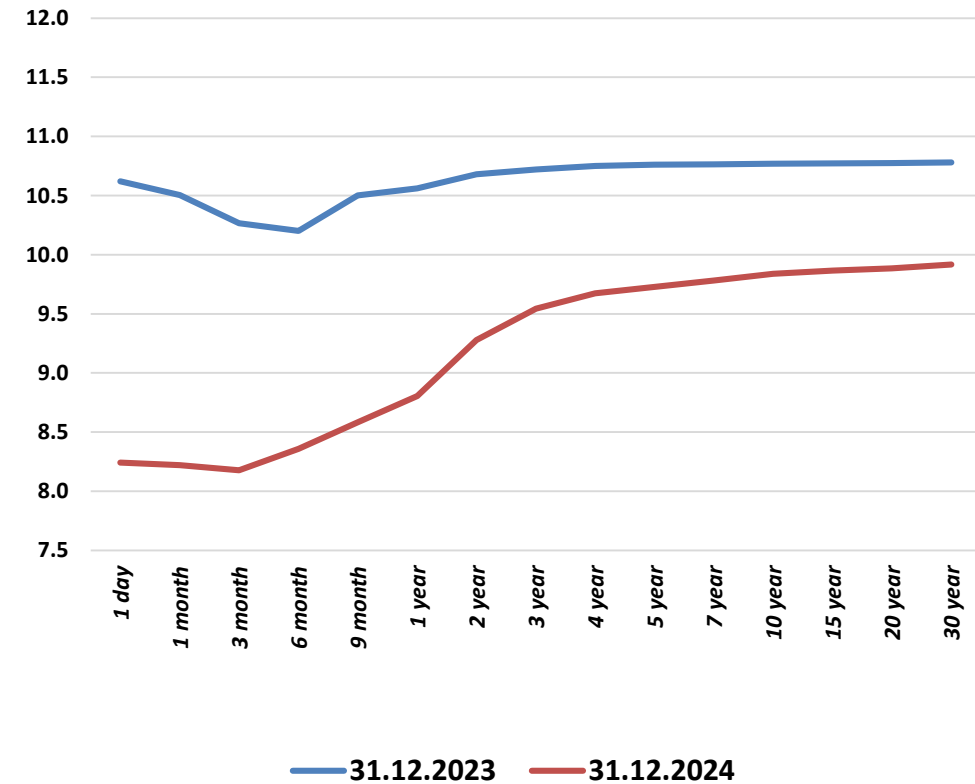
Yield Curves of Government Treasury Securities

- Yields have declined across the curve compared to the end of 2023.
- 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 (%)





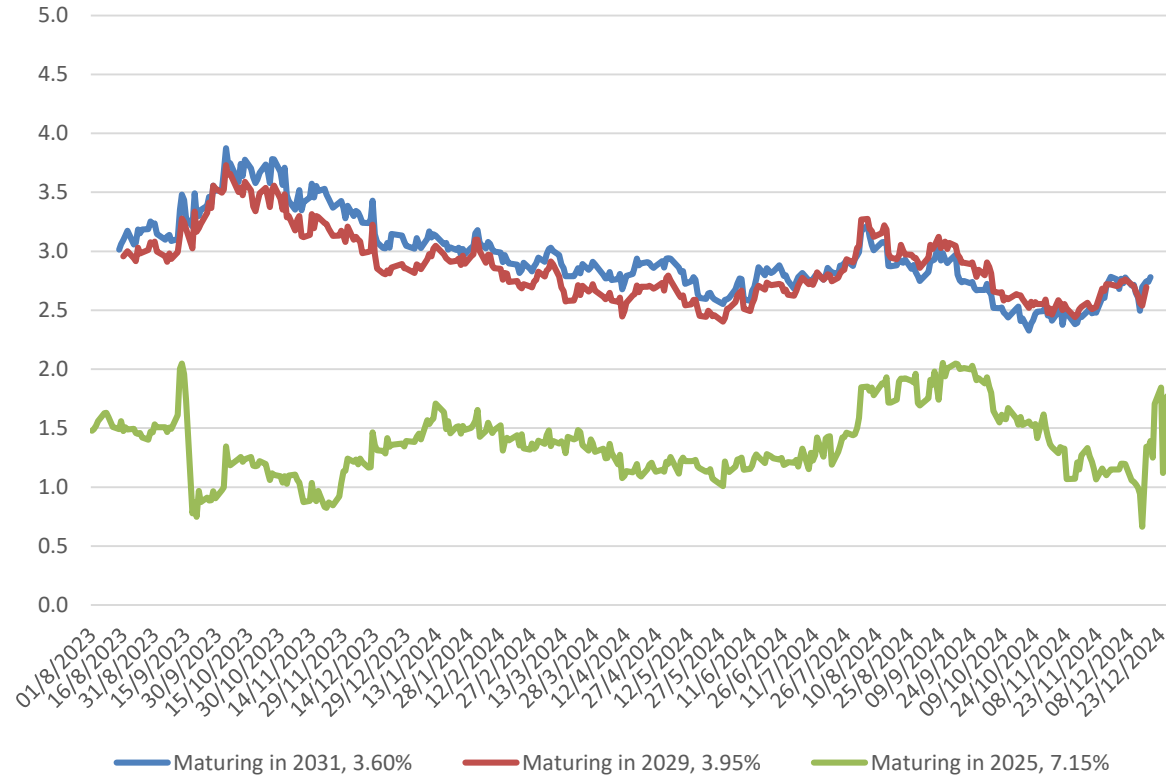
Pricing Dynamics of Eurobonds

- Armenia Eurobonds pricing is fluctuating in alignment with the US Treasuries with similar maturity.

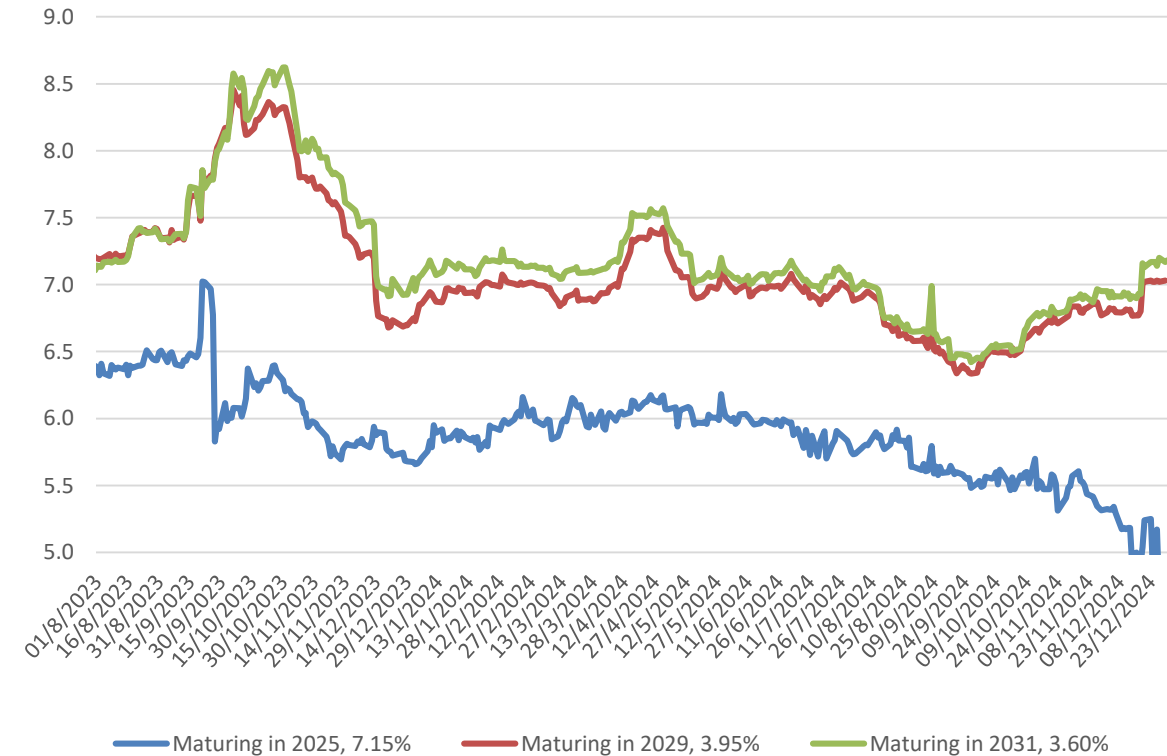
As of 31.12.2024

	2025	2029	2031
%	4.590	7.030	7.180
Spread	125.0	283.2	283.2

Spread vs Benchmarks



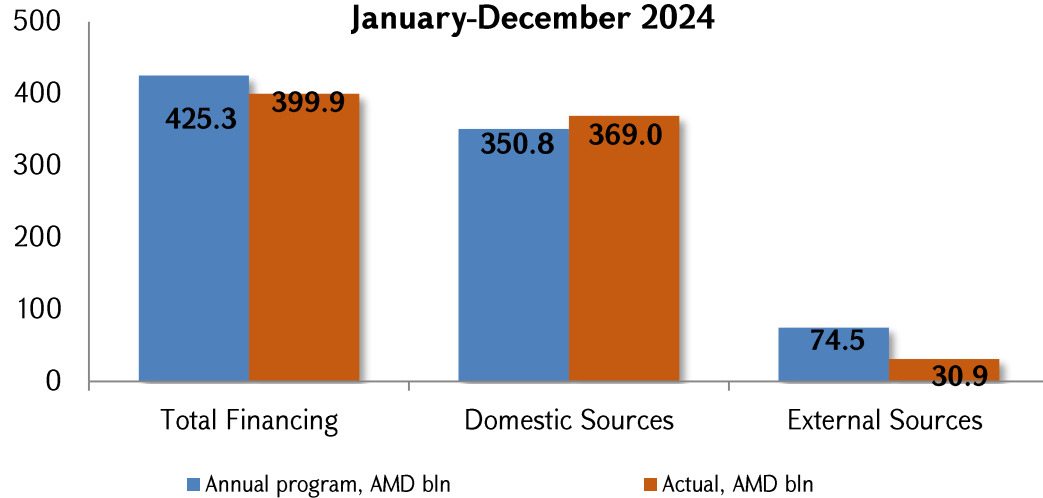
Secondary Market Pricing



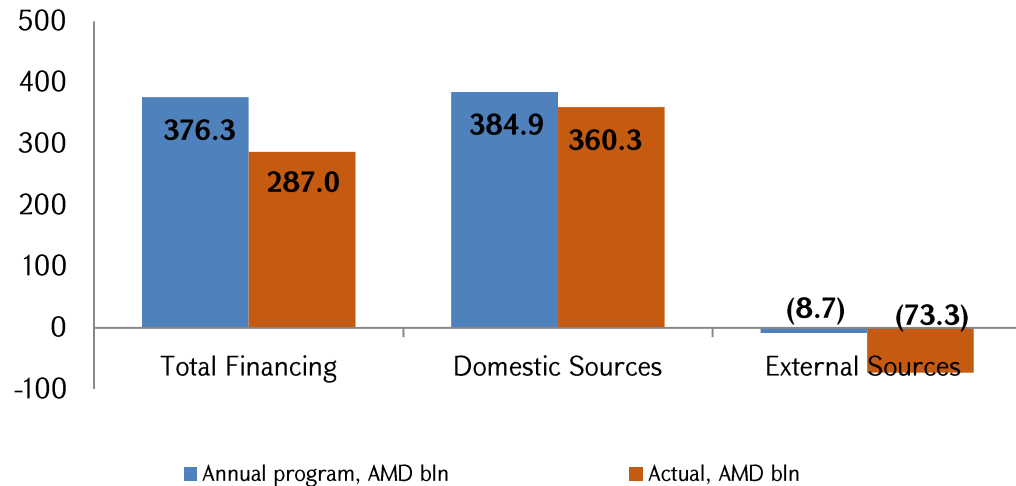


State Budget Deficit Financing from the Net Borrowings

January-December 2024



January-December 2023

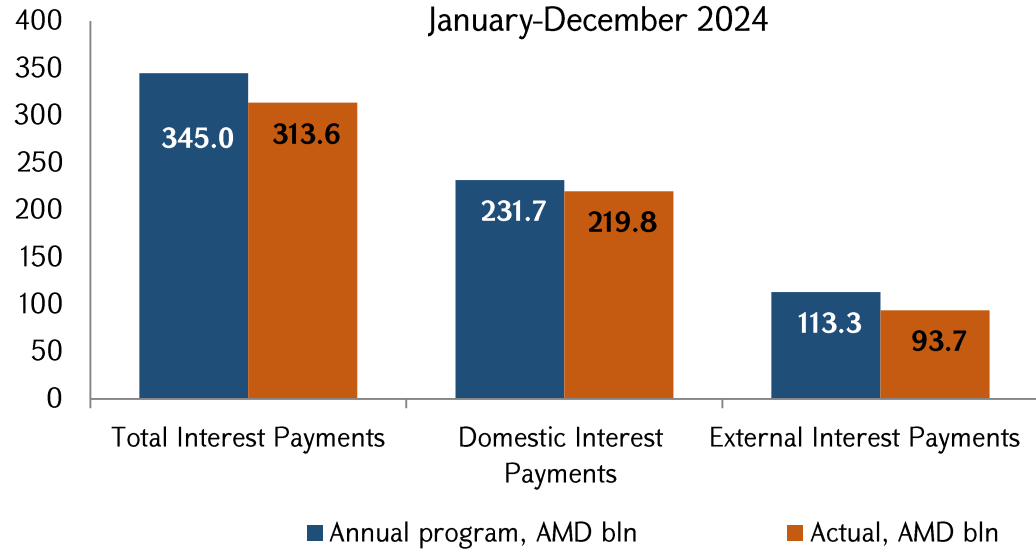


AMD bln	01.01.2022-31.12.2022	%	01.01.2023-31.12.2023	%	01.01.2024-31.12.2024	%
Financing of the state budget deficit from the net borrowings	318.2	100.0	287.0	100.0	399.9	100.0
<i>From domestic sources</i>	252.0	79.2	360.3	125.5	369.0	92.3
proceeds from placement of Government Treasury Securities	252.0		360.3		369.0	
proceeds from placement	399.8		584.1		654.2	
repayments / buyback	(147.8)		(223.8)		(285.2)	
<i>From external sources</i>	66.2	20.8	(73.3)	(25.5)	30.9	7.7
Credits and Loans	66.2		0.1		30.9	
disbursements	165.8		124.6		196.9	
project loans	50.3		62.6		70.7	
budget support loans	115.5		62.0		126.2	
repayments	(99.6)		(124.5)		(166.0)	
proceeds from placement of Foreign Currency Denominated Bonds	-		(73.4)		-	
proceeds from placement	-		-		-	
repayments / buyback	-		(73.4)		-	

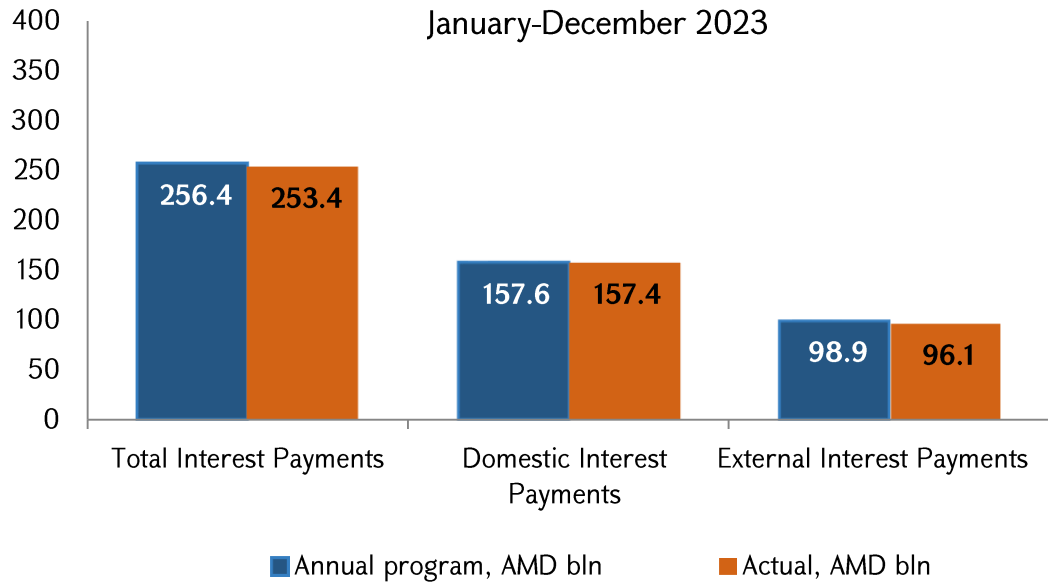


Interest payments

January-December 2024



January-December 2023



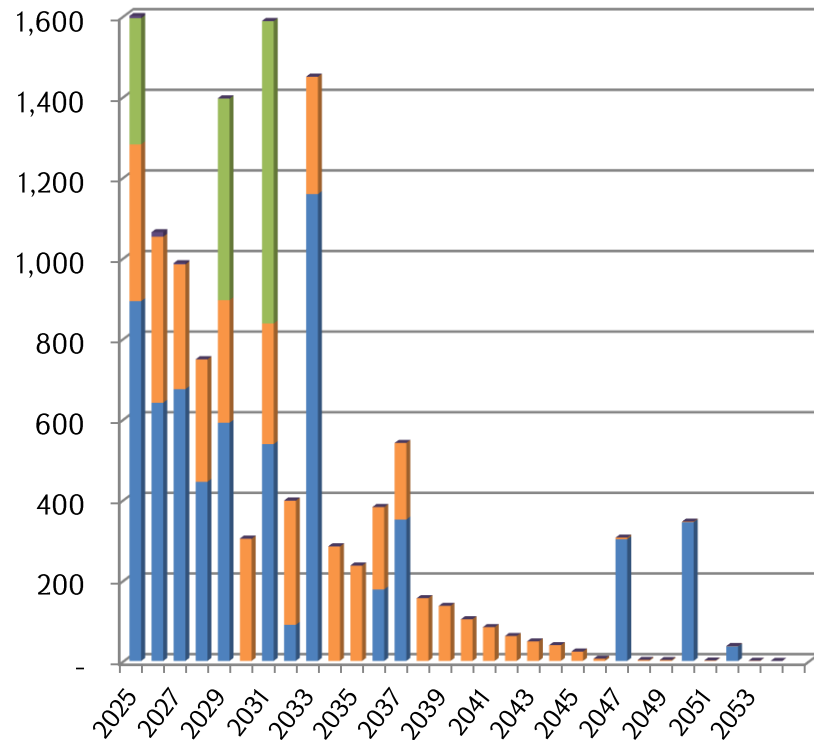
AMD bln	01.01.2022-31.12.2022	%	01.01.2023-31.12.2023	%	01.01.2024-31.12.2024	%
Total Interest Payments	198.3	100.0	253.4	100.0	313.6	100.0
Domestic Interest Payments	125.9	63.5	157.4	62.1	219.8	70.1
Interest Payments on Government Treasury Securities	125.9	63.5	157.4	62.1	219.8	70.1
External Interest Payments	72.4	36.5	96.1	37.9	93.7	29.9
Interest Payments on External Loan and Credits	35.0	17.7	62.3	24.6	66.3	21.2
Interest Payments on Foreign Currency Denominated Bonds	37.4	18.8	33.8	13.3	27.4	8.7



Redemption and Servicing Profiles of Government Debt

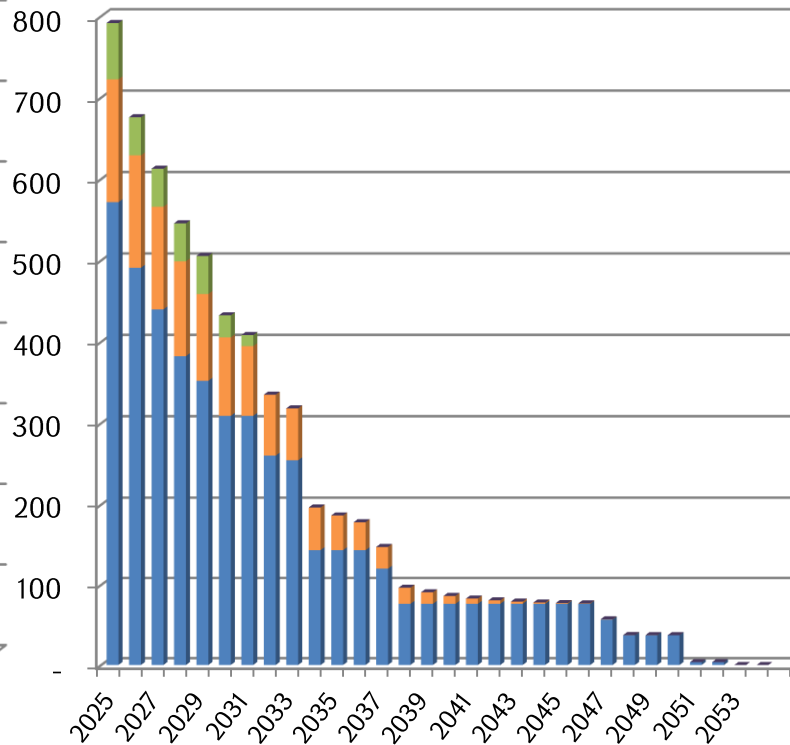
- Government debt repayments are scheduled until 2054.

Redemption Profile of Government Debt



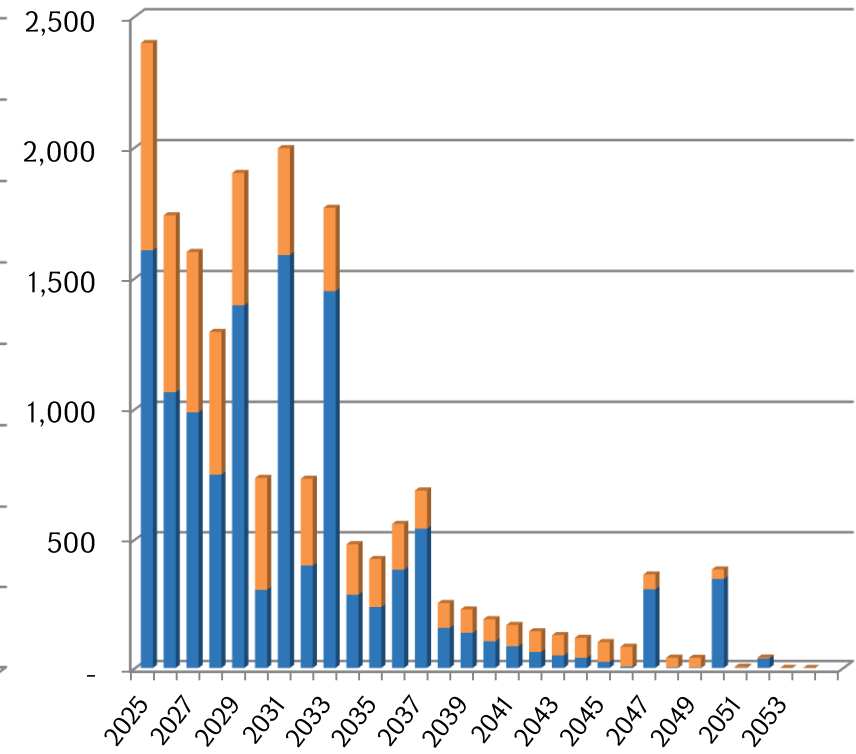
■ Guarantees, USD mln
■ Eurobonds, USD mln
■ External Loans, USD mln
■ Gov. Securities Denominated in AMD, USD mln

Servicing Profile of Government Debt

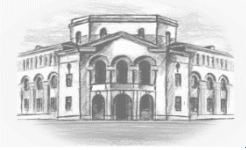


■ Guarantees, USD mln
■ Eurobonds, USD mln
■ External Loans, USD mln
■ Gov. Securities Denominated in AMD, USD mln

Amortization and Servicing Profiles of Government Debt



■ Amortization payments, USD mln
■ Interest payments, USD mln



Government Debt Profile Risk Indicators and Maintaining Benchmarks

- Almost all benchmarks set by Government Debt Management Strategy were maintained.
- The weighed average interest rate increased by 0.2 percentage points compared to 2023.

	Benchmark	31.12.2022 Actual	31.12.2023 Actual	31.12.2024 Actual
Weighted Average Interest Rate, %		6.3	7.0	7.2
Refinancing risk				
Weighted Average Time to Maturity (ATM), years	7 - 10	7.7	7.4	6.9
Debt Share Maturing in Upcoming 3 Years, %	maximum 35%	28.8	28.6	29.6
The share of Government Treasury Securities maturing in the next year in total TS (at the end of the year), %	maximum 20%	12.9	11.8	13.0
Interest rate risk				
The share of fixed rate debt in the total debt, %	at least 80%	83.5	84.1	84.4
Weighted Average Time to Refixing (ATR), years		6.6	6.4	5.6
Debt Share Refixing in Upcoming 365 Days, %		23.3	21.6	26.3
Exchange rate risk				
Share of domestic debt in total debt, %	at least 40%	41.6	47.3	51.8
Share of AMD denominated debt in total debt, %	at least 40%	37.9	45.9	50.8