
Araratbank Intends To Enter The Market With IPO At The End Of 2007.

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The Araratbank, one of the dynamically developing banks of Armenia, is going to enter the market with an Initial Public Offering (IPO) at the end of 2007, Ashot Osipyan, Board Chairman and Executive Director of the bank, said at a round table meeting "Market Resources of Long-Term Financial Resources" organized by the USAID-funded Financial Sector Development Project. He emphasized that great preparation activities should be carried out, and the corporate undocumentary coupon bonds of the Araratbank CJSC should be taken into consideration.

A.Osipyan pointed out that attraction of resources was not the key goal when the Araratbank placed its bonds in the amount of 250 mln AMD. "We try to form a market with these bonds, draw investors' attention to securities, gain experience, and raise the level of underwriting," he said. A.Osipyan added that the issue of bonds will become systematic and it is connected with the establishment of the bank's reputation as a good issuer in connection with long-term strategic plans of reorganizing the bank into an open joint-stock company.

To note, the Araratbank's bonds have successfully undergone the listing procedure at the Armenian Stock Exchange (ArmEx) and become the only corporate securities which have found themselves in the highest Abond listing category. The bank started placing bonds on May 3, 2007, and successfully finished it on May 10, ensuring 13 mln AMD excess of demand over supply. The period of bond turnover makes up 12 months at the rate of 8% yearly interest, this index being by 2% higher than the treasury curve at the mean.

As of March 31, 2007, the total capital of the Araratbank made up \$10.8 mln, the assets - \$33.3 mln, total provision of crediting - \$9.8 mln. The bank is active in the state securities market, its financial investments totalled \$8.7 mln. According to the results of 2006, the net profit of the bank totalled \$2.5 mln.
