

CORPORATE GOVERNANCE

Corporate Governance Structure

Corporate Governance Bodies of the Bank

The overriding goal of the Bank is to ensure the implementation of the best standards of management, application of modern banking technologies and high-quality international service standards.

The top governing body of the Bank is the General Meeting of Shareholders. The Board of Directors of the Bank oversees the general activity of the Bank within the scope stipulated by law. The current management of the Bank is run by the Management Board and the Chairman of the Management Board - General Director.

We consider it important that all management bodies of the Bank participate in decision making (the General Meeting of Shareholders, the Board of Directors (BoD), the Management Board, the Chairman of the Management Board - General Director, committees, etc.) each within the scope of functions and authorities stipulated by law and internal legal acts of the Bank.

The Investor Relations Unit is set up to provide the BoD members with regular updates on the processes and development of the Bank.

To create a clear, measurable and appraisable environment in all fields of activity, over 90 internal legal acts (regulations, policies, procedures, instructions and manuals) have been developed and implemented in the Bank since 2007. They regulate the entire scope of the Bank's activity and create an integral system of corporate governance and internal control.

The control over the current activity of the Bank and compliance with law and internal legal acts is exercised by the Internal Audit reporting to the Bank's Board of Directors.

The Bank also retains independent audit companies of international standing to audit its annual financial activity.

Investor Relations

As a special approach towards every single representative of all layers of Corporate Governance, Ameriabank has set up an Investor Relations (IR) Unit acting as a bridge between the Bank and both equity and debt financiers/investors of the Bank. The Investor Relations Unit is committed to providing on-time, thorough and professional feedback and information on each aspect of the Bank's operations that the investors may be interested in.

IR of Ameriabank keeps a calendar of monthly, quarterly and annual events and reports to help the investors remain updated on a continual basis.

A successful IR program requires transparency, ability to bring business performance to life and clarity in communication. It must be underpinned by the highest standards of corporate behavior. In this regard, Ameriabank CJSC has inherited the best international practices of investor relations functions and objectives as additional evidence of the most responsible and professional attitude towards the initiation of corporate governance principles by the Bank.

Organizational Structure of the Bank

Ameriabank was among the first banks in Armenia to adopt a new functional division of structure, which is client-oriented rather than product-oriented. The structure highlights corporate, investment and retail banking.

Upgrading of the client service system was our first accomplishment. We adopt an individual approach to each client, while the range of services is very wide, including all possible banking products. The Bank was the pioneer in introducing the so-called client managers' institution in Armenia.

Decision Making Process

Each Director bears responsibility for the development of a specific sphere of banking. Decisions are mainly adopted through discussions and brainstorming with the participation of the heads of all interested units. Any issue beyond the authorities of the relevant governing body is automatically delegated to the next level of corporate governance. The principle of united management helps avert the risks related to lack of coordination and to inconsistency of actions at various levels of governance.

Striving to minimize possible risks, Ameriabank adheres to the principles of most balanced corporate governance and decision making, applied in international practice.

Internal Audit: Compliance

The Internal Audit Service of the Bank is a special structural subdivision reporting to the Bank's BoD. It is a fundamental component of the managerial control system.

The Internal Audit Service is independent from other structural subdivisions of the Bank, thereby retaining the impartiality and strictness of internal control.

Ongoing control by the Internal Audit Service is aimed at ensuring efficient and uninterrupted activity of the Bank.

Financial Monitoring

Persuant to the RA Law "On Combating Money Laundering and Terrorism Financing" as of May 26, 2008, the Financial Monitoring Service of Ameriabank CJSC is a standalone unit in terms of performing the functions stipulated by law and other regulatory legal acts adopted on the basis thereof. The Financial Monitoring Service has a status of senior management of the Bank.

The Financial Monitoring Service reports directly to the BoD and other top managers on AML/CTF-related problems occurring in the Bank.

