

# AMCHAM

FOR A BETTER BUSINESS ENVIRONMENT SPRING/SUMMER 2019



## A *NEW* BEGINNING FOR A *NEW* GENERATION

Dr. Mihran Agbabian  
AUA Co-Founder and Founding President





**INTERVIEW**  
**ARTHUR HAKOBYAN**  
**CHIEF EXECUTIVE OFFICER,**  
**CHAIRMAN OF THE**  
**MANAGEMENT BOARD**



**EDITOR’S NOTE**

Mr. Arthur Hakobyan was born on June 24, 1969, in Dilijan, Tavush Province, Armenia. He studied at Yerevan State University's (YSU) Faculty of Economics and got the degree of economist-mathematician. He also graduated from the Skolkovo School of Management in Moscow and received an MBA qualification (Executive MBA). He started his career in the Monetary Policy Department of the Ministry, as a leading specialist, then was promoted to a Deputy Head of Department and a Head of Department. He served as a Deputy CEO of Armsavings Bank, ArmEconombank and Ararat Bank. Mr. Hakobyan was the First Deputy Executive Director, Chairman of Management Board at Converse Bank.

He also served as a Managing Director of Dilijan International School Properties and Dilijan Development Foundation and as a Head of Dilijan Development Program of Armenia Development Initiatives Foundation.

**COMPANY BRIEF**

Converse Bank founded in 1993 provides universal banking services with a focus on retail banking development. It is a full member of SWIFT payment and settlement, as well as VISA international, ArCa local, as a founding member, and an affiliated member of Mastercard international payment systems. The Bank collaborates with MoneyGram and Unistream payment systems. It is the operator and settlement bank of the Converse Transfer payment system. The Bank issues and serves VISA, Mastercard international and ArCa local card payment systems cards. It is a state debt management agent in the RA government treasury short-term, medium-term and long-term coupon bonds market, a member of the Armenian Stock Exchange, and a member of the Unified Settlement and Registry System of the Armenian Central Depository OJSC. Converse Bank has 35 branches: 15 are in Yerevan, 19 in regions and 1 in Artsakh, as well as 119 ATMs and 60 terminals throughout Armenia.

**Q:** Mr. Hakobyan, has the education you received both in Armenia and abroad prepared you for the rapid changes in the country over the last few years. Why?

**A:** During 1990-1995, YSU, where I got my degree in economic cybernetics, was in my opinion one of the best educational institutions in the country. We got knowledge

in the market economy, which was very important in a view of dramatic changes happening in the country. I was happy for the opportunity to work at the Ministry of Finance and later - in a number of commercial banks, where I had the chance to work with people and teams, constantly, dealing with complex issues unusual to the country. In the modern world, the education and

the continuous development are non-stop processes. At least once a year I attend various seminars and workshops abroad at different well-known platforms in terms of building capacities to implement innovative approaches relevant to the current trends, and developing critical decision-making skills. In this regard, it was very important to be a part of the Executive MBA program

at Skolkovo School of Management in Moscow. I participated in that program having 17 years of experience in senior management and the new knowledge obtained in Skolkovo allowed me to master quite a number of new management tools and to better systemize my knowledge.

**Q: Does the international best practice reflect Converse Bank's activities and how do you utilize it?**

**A:** The international best practice is firstly reflected in the banking regulation. Legal and regulatory framework regulates banking sphere today in line with international standards, which is evidenced by top ratings awarded by international financial institutions and is a part of our day-to-day activities, when we design and develop our services. Generally, the banking system in Armenia is part of the global industry- we follow the same rules and criteria in cooperation with both international financial institutions and highly-ranked foreign commercial banks. This continuous cooperation enables us to provide our clients high quality services corresponding to the highest international standards. For example, this month, Converse Bank was awarded by the European Bank for Reconstruction and Development with a "Transaction of the Year - Green Lending" Award. The project, which we funded in Armenia, was recognized as the best by its energy efficiency and environmental impact criteria. So, we have been successful in applying the international best standards and competing with our partners in different countries when implementing and financing the project.

**Q: What kind of corporate social responsibility (CSR) projects do you have in Converse Bank and what are your main focus areas when supporting educational projects?**

**A:** A few years ago, Converse

Bank reviewed its CSR program, bringing it in line with the Bank's development vision. Accordingly, promoting the competitiveness of education, encouraging innovative thinking is one of the most important areas in the Bank's CSR program. We believe that young people with competitive education, possessing innovative thinking and capable of looking for new solutions, will build the future of our country. We participate in projects that serve the purpose above: supporting the development of their ability to sustain their own views, establishing platforms for proposing innovative ideas and discussing new concepts. Only last year, we were involved in about a dozen of initiatives aimed at improving the quality and conditions of organizing educational processes. We are equally open to cooperation with various sponsor projects both at schools, universities and with youth supporting innovative thinking. In terms of project selection, we have one more baseline principle-the most effective format for private-public sector collaboration is the joint initiatives aimed at promoting education, popularizing art and culture, and allowing to involve extensively more stakeholders to the projects. Practically, this is the scope we have outlined in selecting and designing our sponsorship and CSR projects.

**Q: To what extent does the Armenian banking system and, in particular, Converse Bank, keep up with new developments in the IT industry?**

**A:** We live in the era of unprecedented technology innovation, and its application, especially, in the financial sector, is at a faster pace and has a great potential for business processes transformation, development, transaction security enhancement and reduction of operating costs. Block-chain technology in securities trading, payment and settlement systems, and other areas of government and financial services, I believe, is a

near-future issue. Today, the bank rating systems and making lending decisions are already based on big data processing and the proposals for banking products are processed without human intervention. This will become dominant in the coming years, especially, in the retail lending. I think the only limitation is the domestic market size. Yet, innovative technologies overcome the boundaries between different markets, eliminate all sorts of obstacles. I am confident that in the short-term perspective, purchasing securities of Armenian issuers or making deposits through digital platforms and applications in the world would become a routine model of making fast, low-cost transactions.

As to Converse Bank, digital technologies are one of our development priorities. Back in 2014, we introduced the first digital banking service in Armenia - mConverse mobile application. Customers have high demand for online lending and Card to Card transfer platforms. Now we have many projects on our agenda aimed at digitization of new banking products, card business development, remote banking services, improvement of customer service based on the latest IT technologies. New innovative tools will be introduced in digital platforms in the nearest future, that will be a pleasant surprise not only for our customers.

**Q: What would be your advice to the younger generation interested in the banking system?**

**A:** Alongside with any professional skills, it is important to have comprehensive knowledge on related industries. Continuous desire for a new knowledge, self-development skills, systematic approach to evaluating any process and making decisions - those are the qualities that are key to success in a rapidly changing environment.

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