



CENTRAL BANK OF THE REPUBLIC OF ARMENIA

MAIN FINANCIAL STABILITY INDICATORS

2nd quarter of 2024

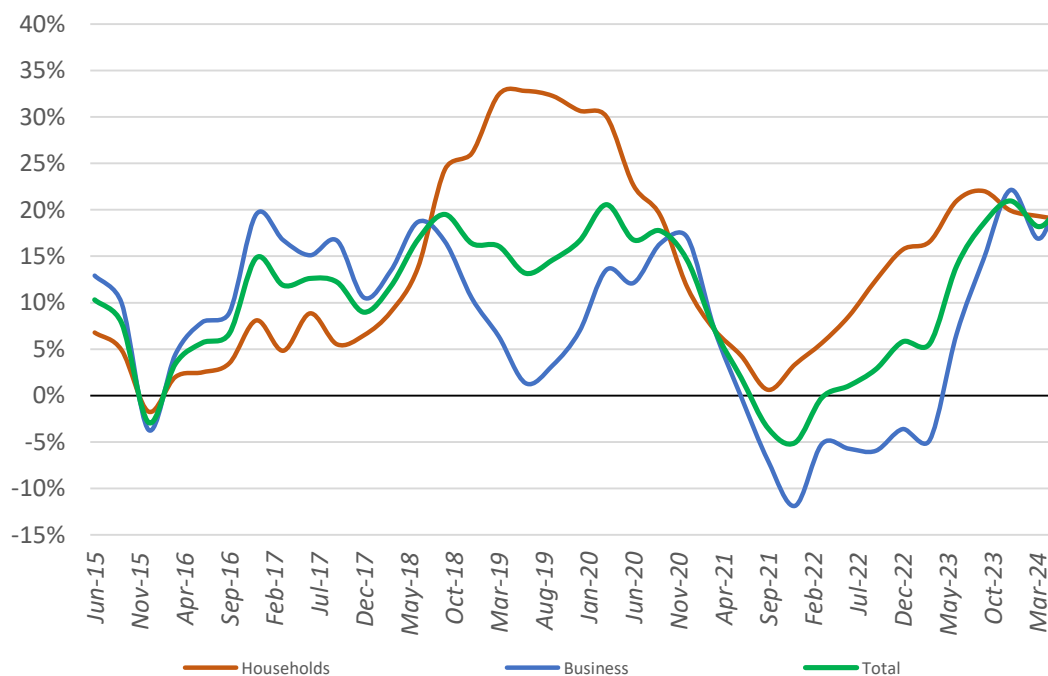
Main indicators of the banking system have largely improved*

	Indicator value as of May	12-month change
ASSETS	AMD 9.44 trillion	13.60%
Loans	AMD 5.02 trillion	19.69%
Non-performing loan ratio	1.10%	-1.4 percentage points
LIABILITIES	AMD 7.94 trillion	13.32%
Attracted deposits	AMD 5.26 trillion	13.25%
EQUITY	AMD 1.5 trillion	15.12%
Total capital adequacy ratio	20.00%	-0.1 percentage points
Total liquidity ratio	33.50%	-3 percentage points
Return on Equity	16.95%	-2.95 percentage points
Return on Assets	2.64%	-0.36 percentage points

* Information is as of May 2021.

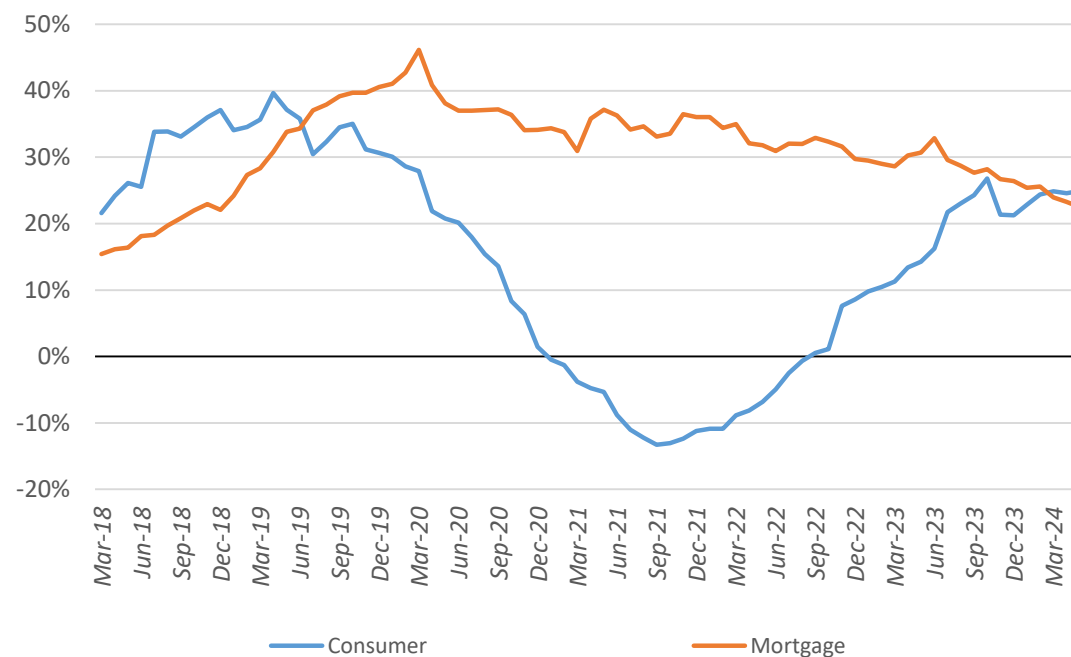
The growth rates in the credit market are stabilizing

Y-o-y growth rate of the loan stocks by sectors



Source: CBA

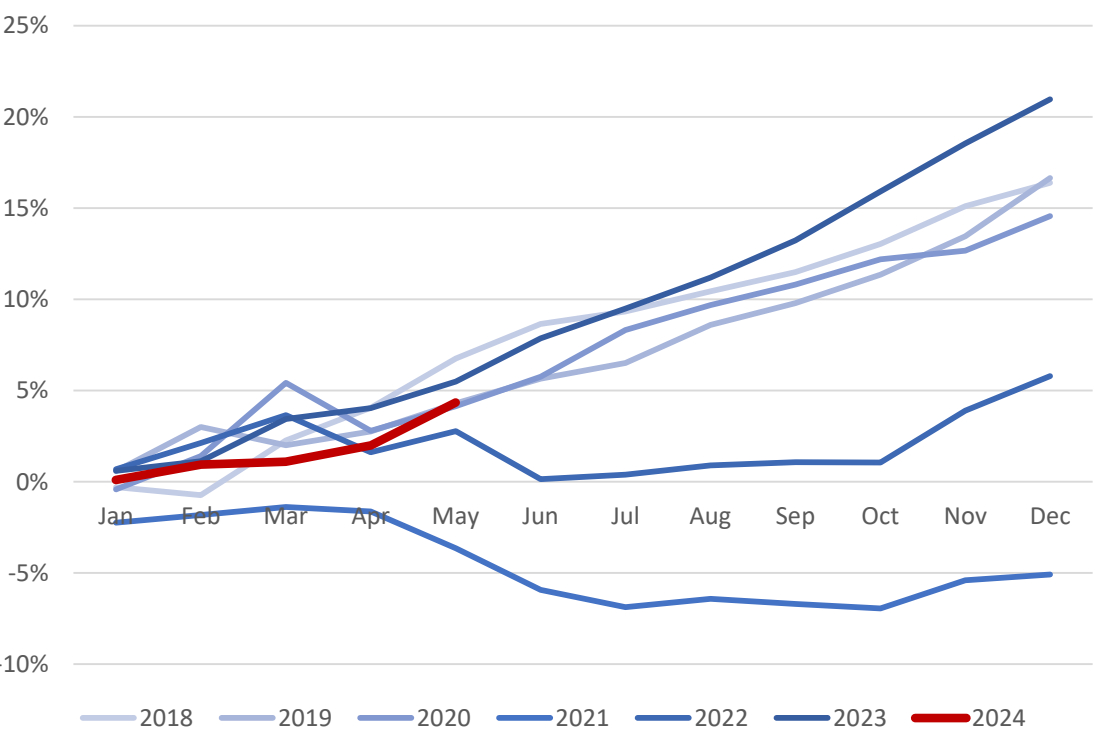
Y-o-y growth rate of household loan stock



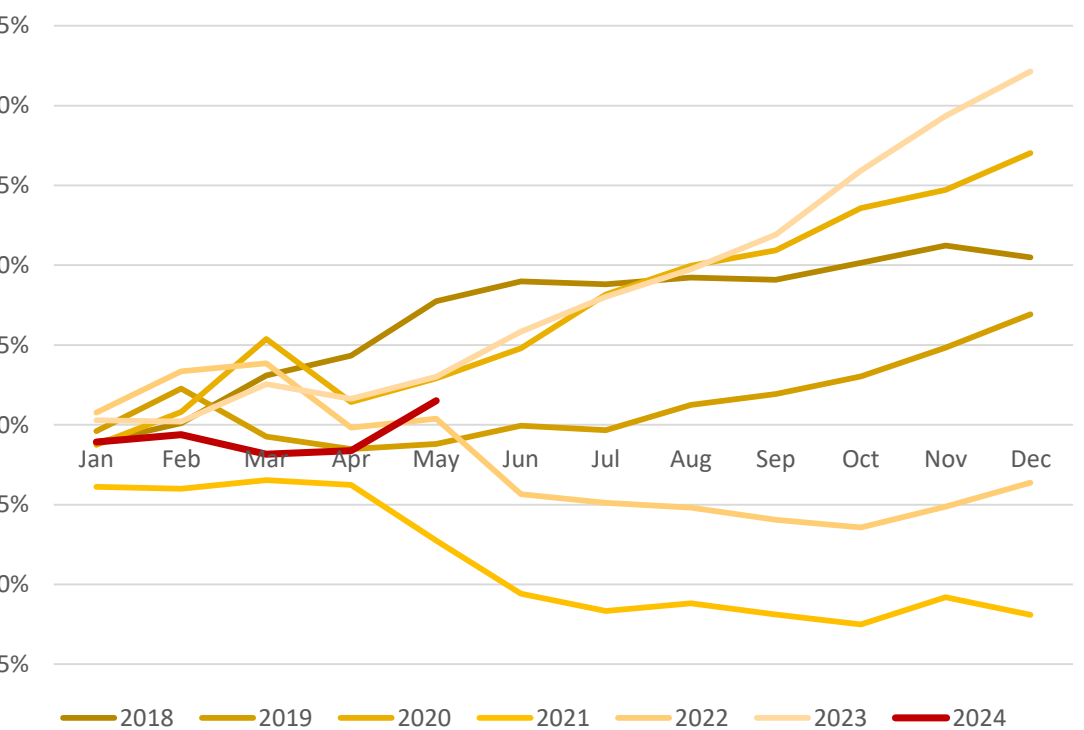
Source: CBA

Developments in credit market do not contain any obvious signs of excessive growth

Cumulative growth relative to the previous year for total credit stock

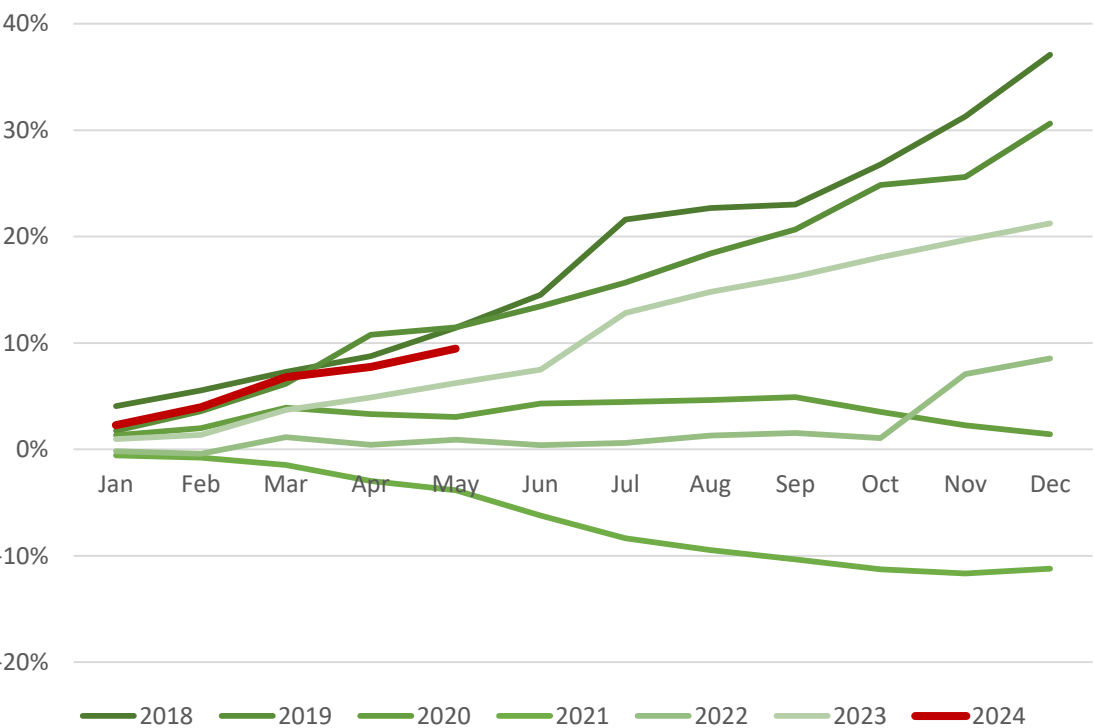


Cumulative growth relative to the previous year for business credit stock

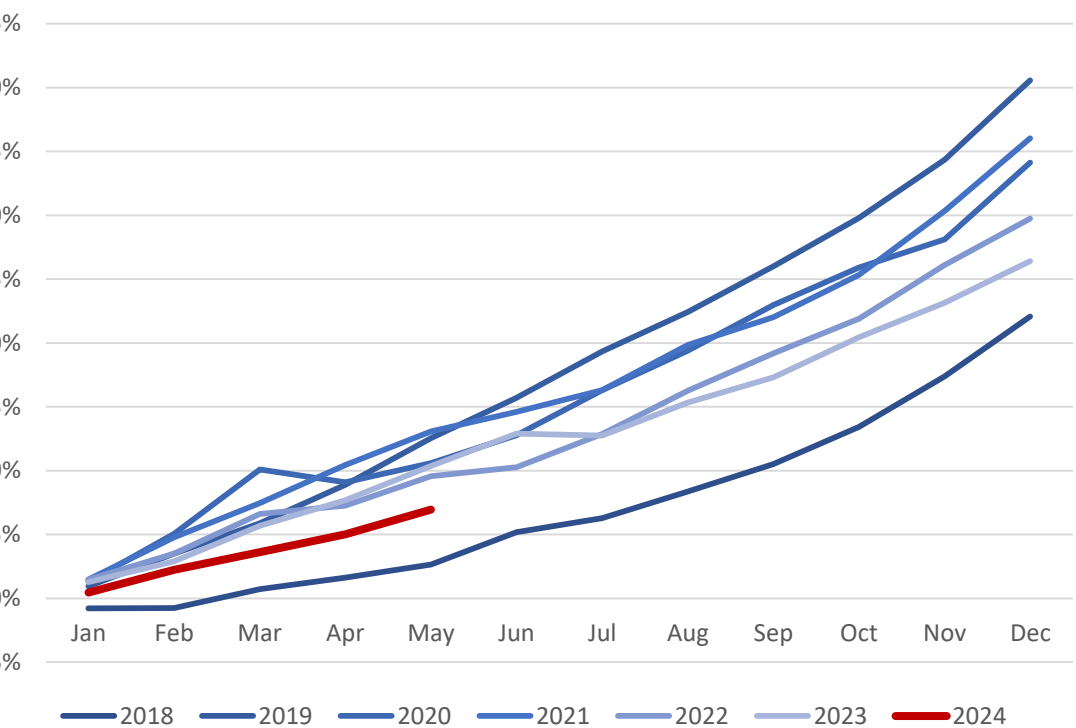


Developments in credit market do not contain any obvious signs of excessive growth

Cumulative growth relative to the previous year for consumer credit stock

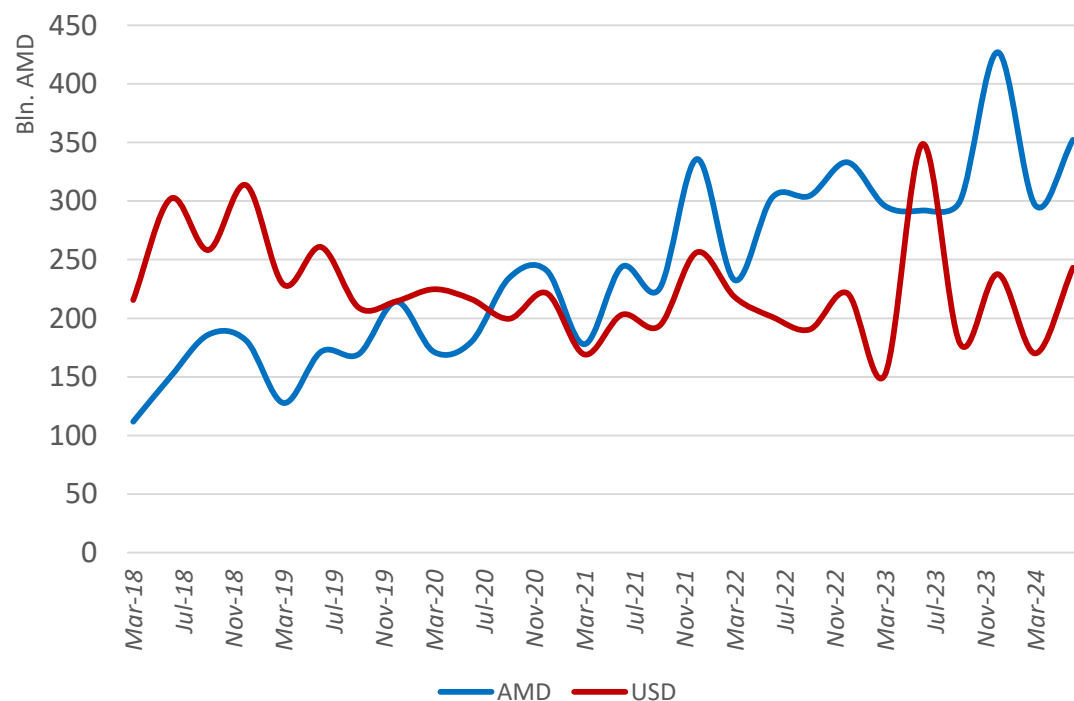


Cumulative growth relative to the previous year for mortgage credit stock

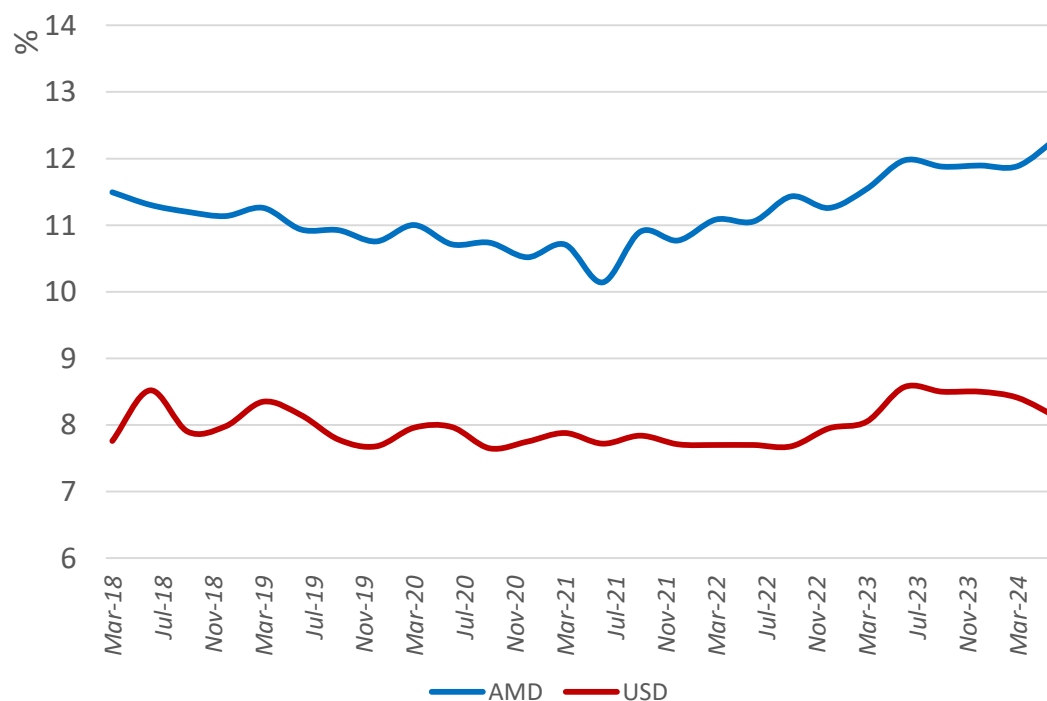


Both flows and interest rates of AMD business loans have growth tendency: For USD business loans such developments have not been recorded

Quarterly flows of business loans by currency

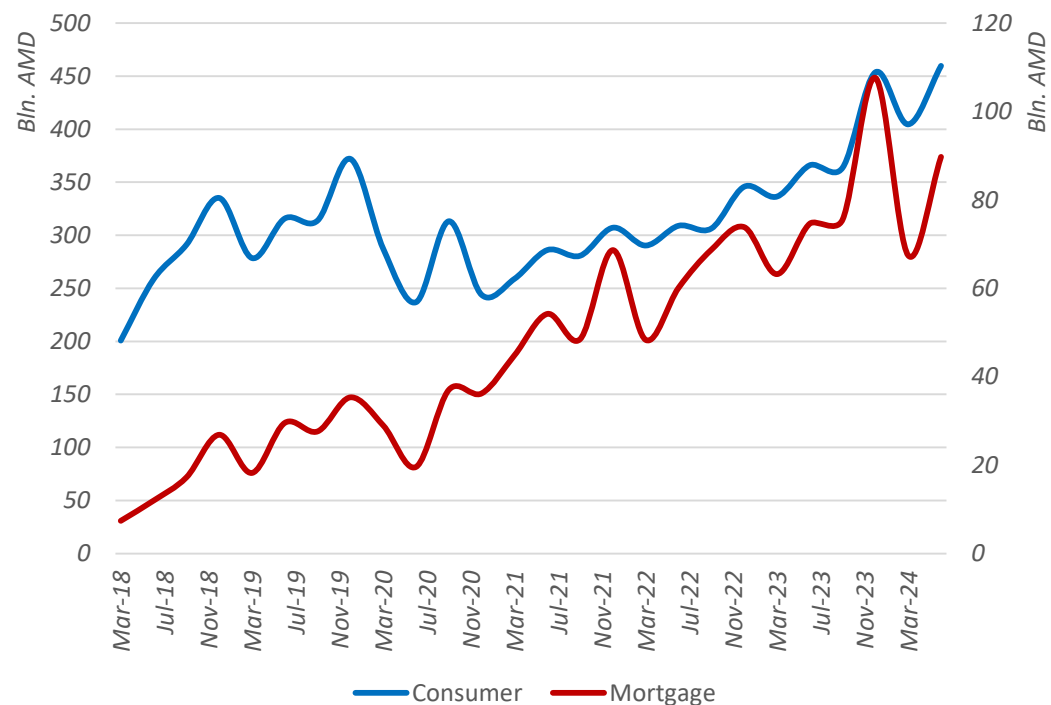


Interest rates of business loans by currency

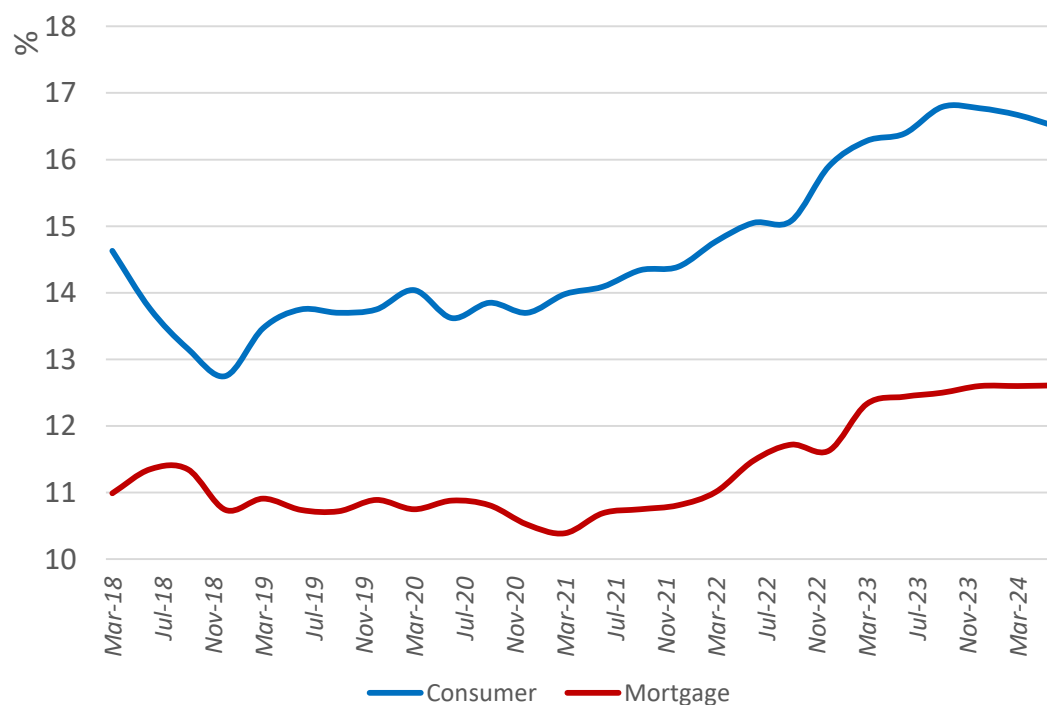


Flows of both consumer and mortgage loans have grown

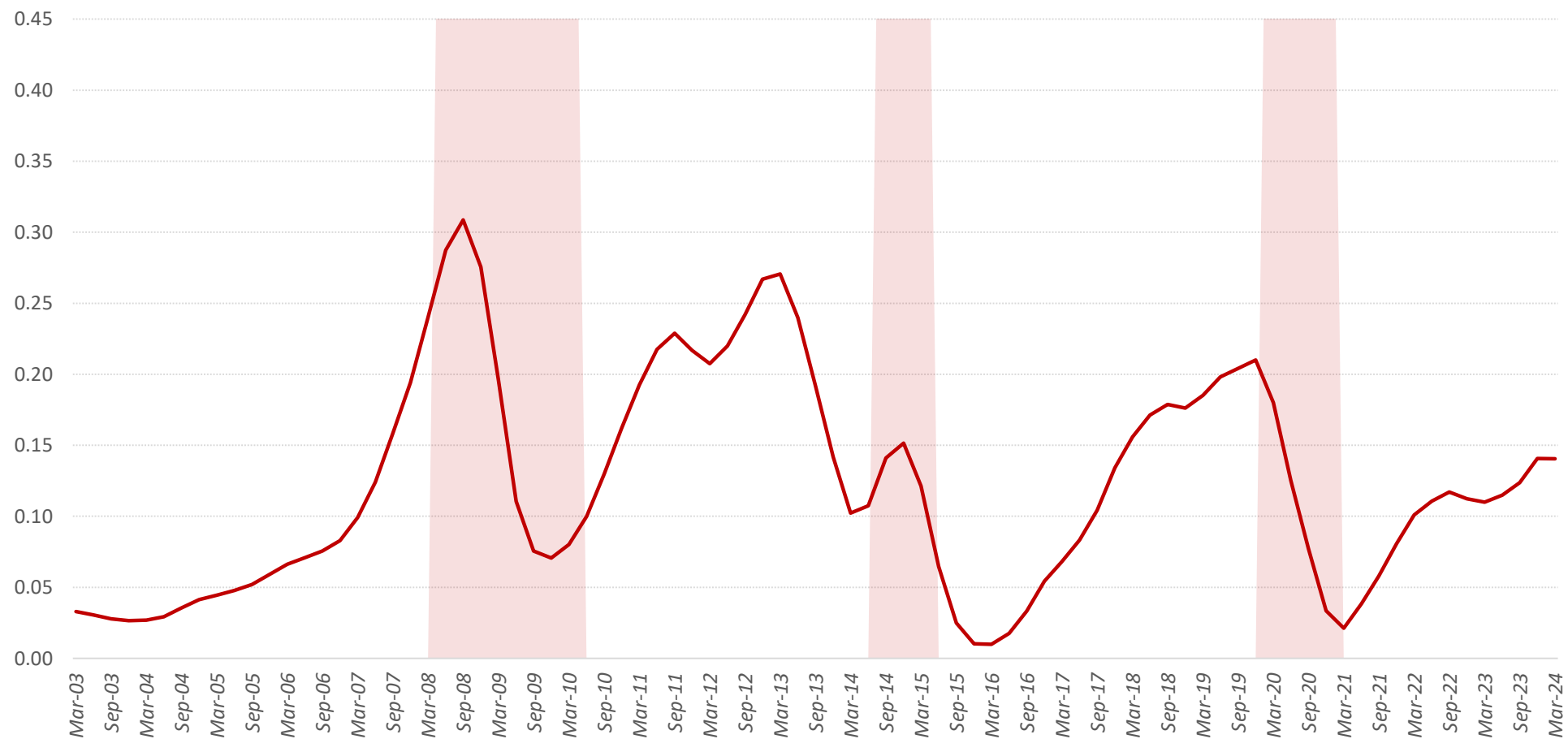
Quarterly flows of AMD consumer and mortgage loans



Interest rates of AMD consumer and mortgage loans



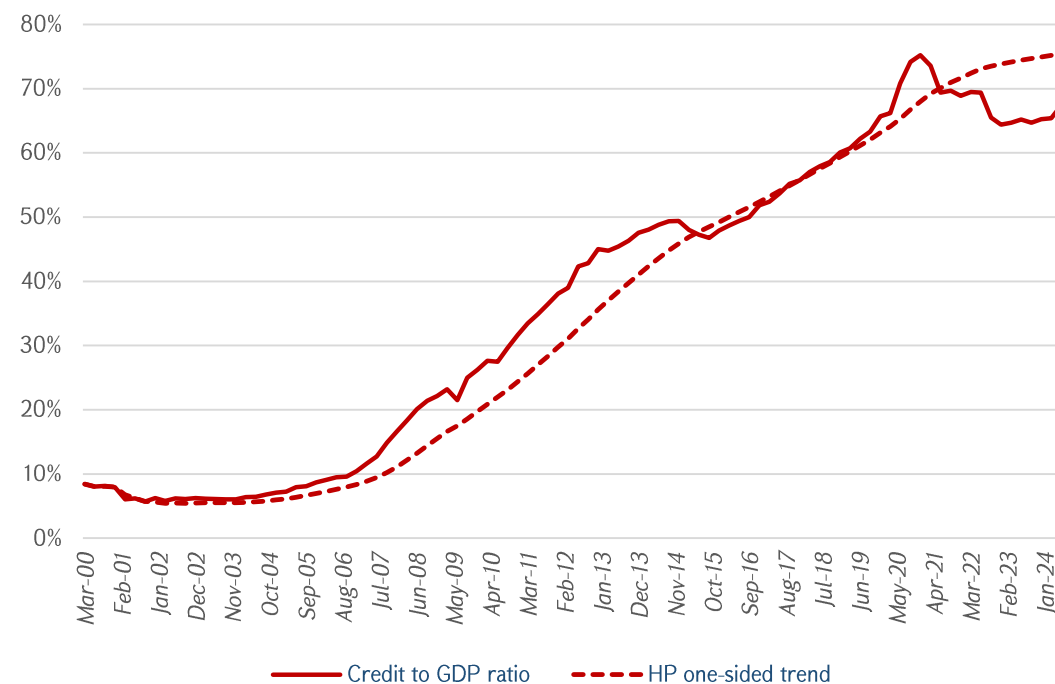
The Financial cycle index has been unchanged relative to previous quarter



Source: CBA

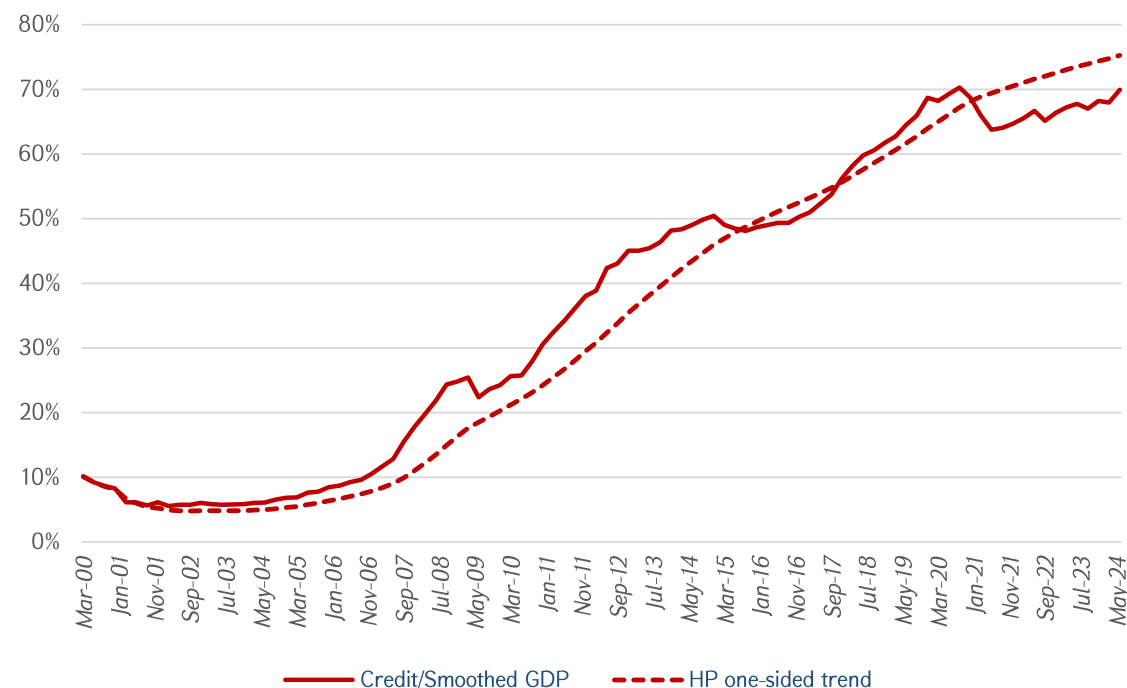
Credit/GDP gap is still negative

Credit to GDP ratio and its long-term trend



Source: CBA and Statistics committee

*Credit/smoothed GDP and its long term trend**

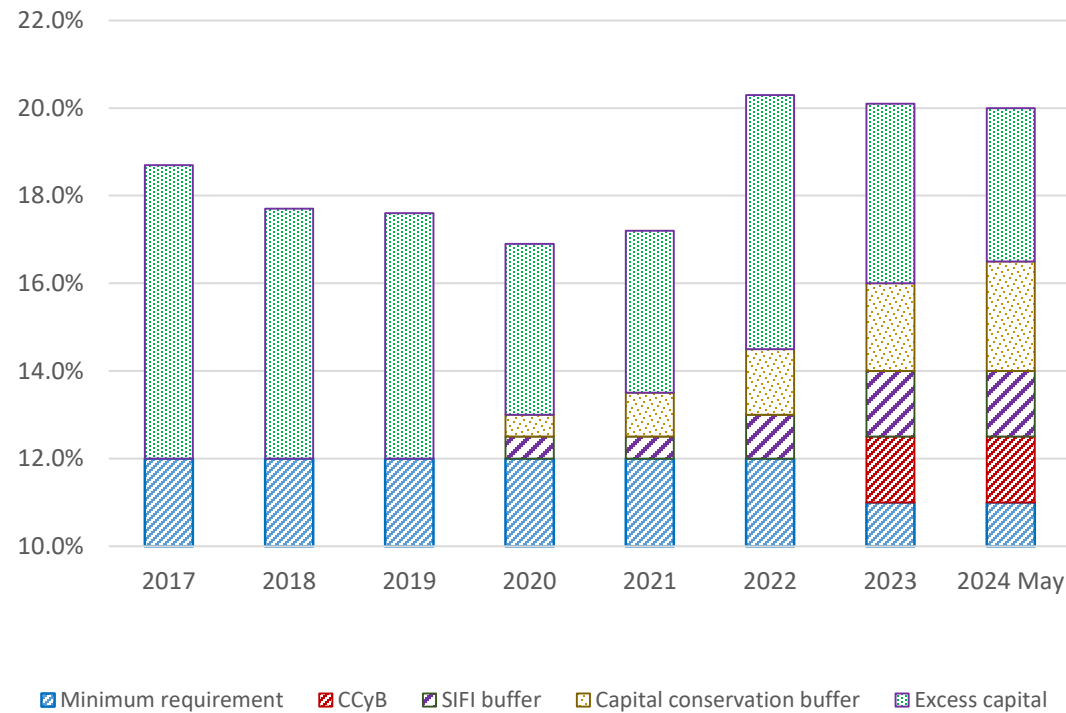


Source: CBA and Statistics committee

* The indicator was calculated on the base of smoothed GDP series

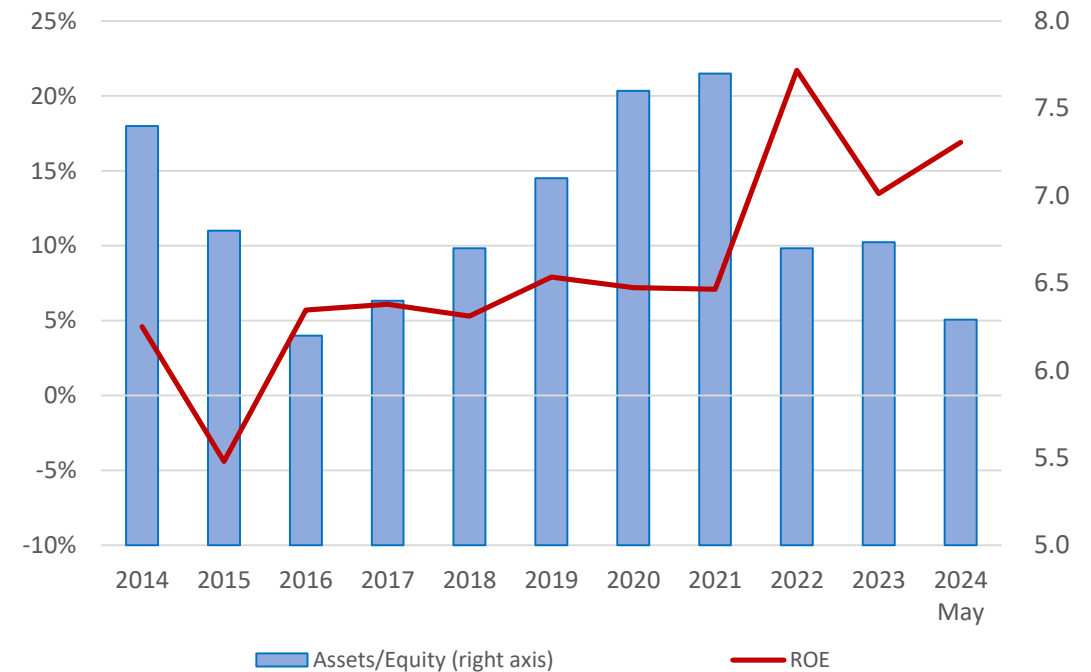
Excess capital stock has been unchanged relative to year end

Capita adequacy ratio



Source: CBA

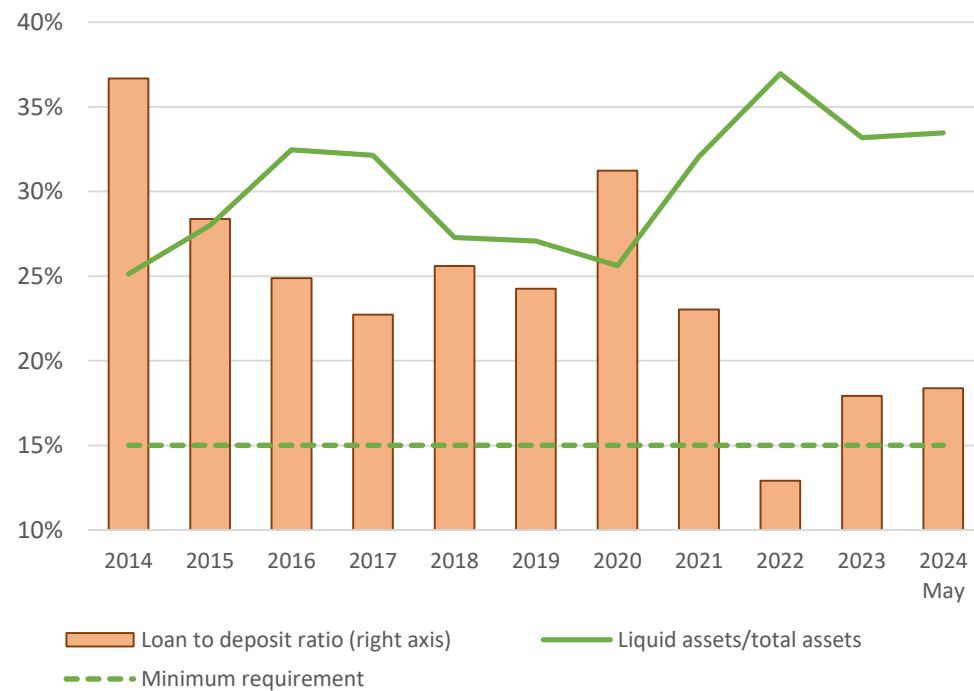
Return on equity and leverage



Source: CBA

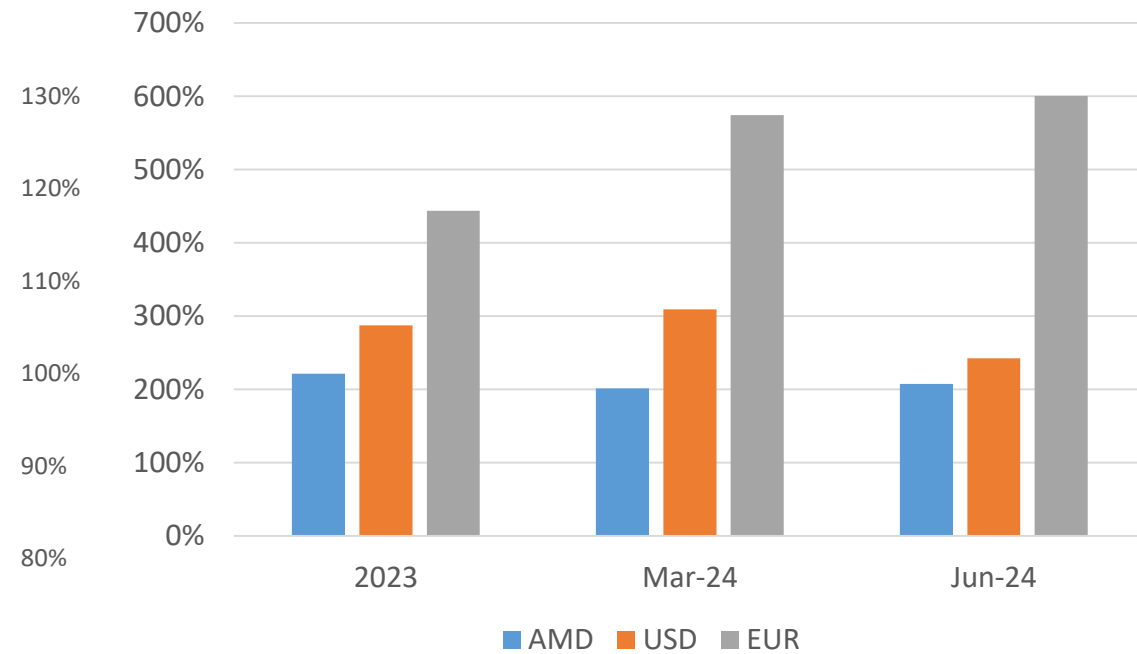
Liquidity ratios are well above the minimum requirements

Liquid assets to total assets ratio and loan to deposit ratio



Source: CBA

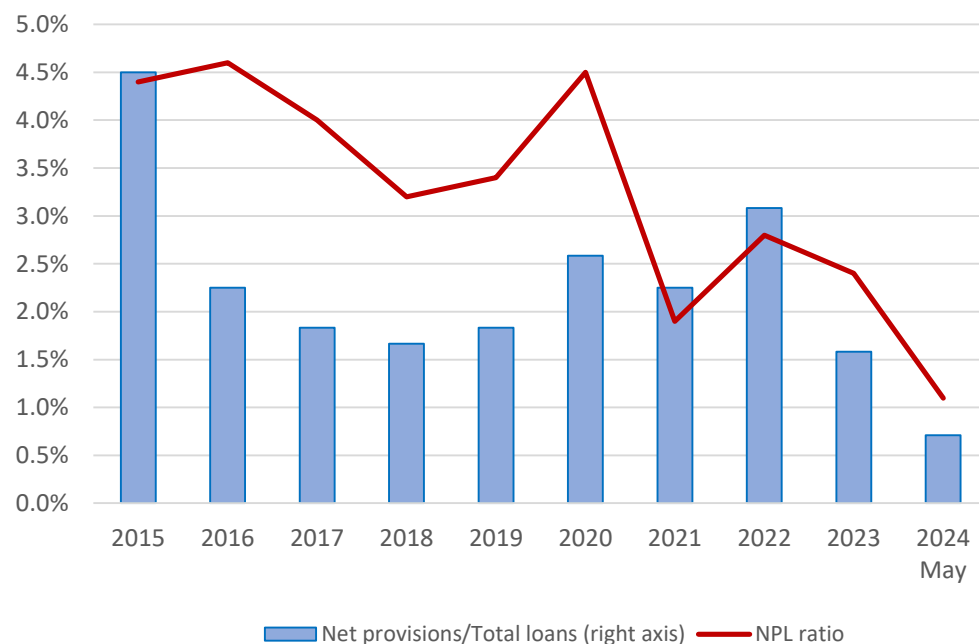
Liquidity coverage ratio



Source: CBA

The total NPL ratio has declined

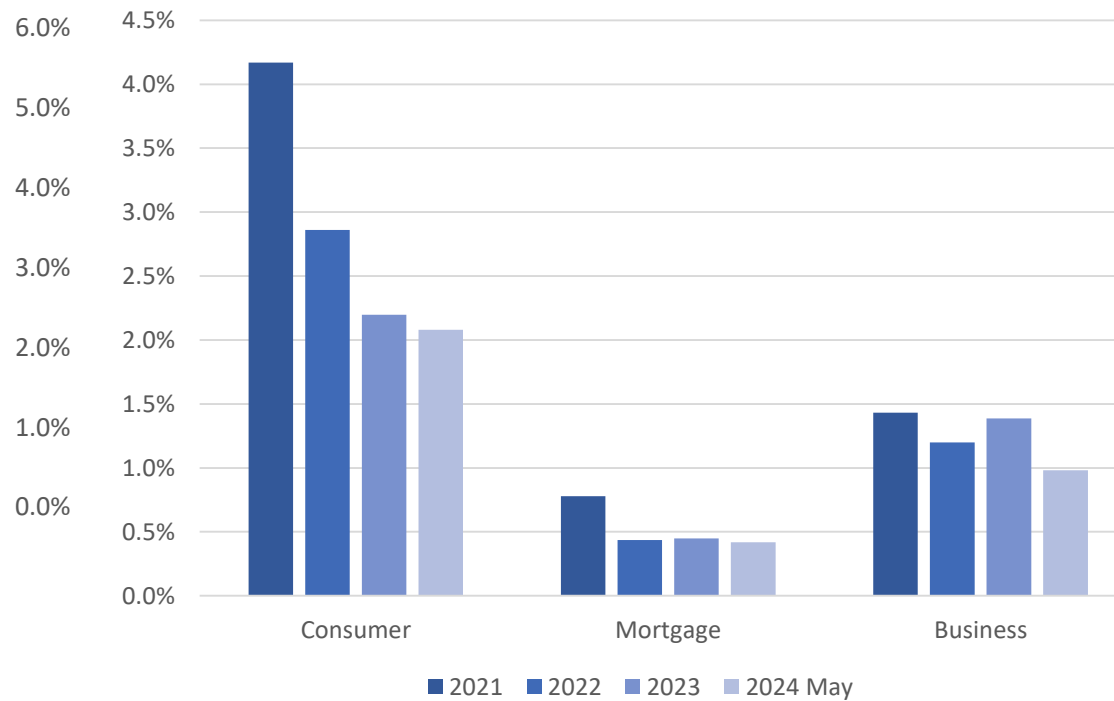
NPL ratio and loan loss provisions*



Source: CBA

* Without the loans classified as “watched”

The NPL ratios by loan segments*



Source: CBA

There are some stabilizing patterns observed in the real estate market, and the estimates of real estate price overheating still remain high

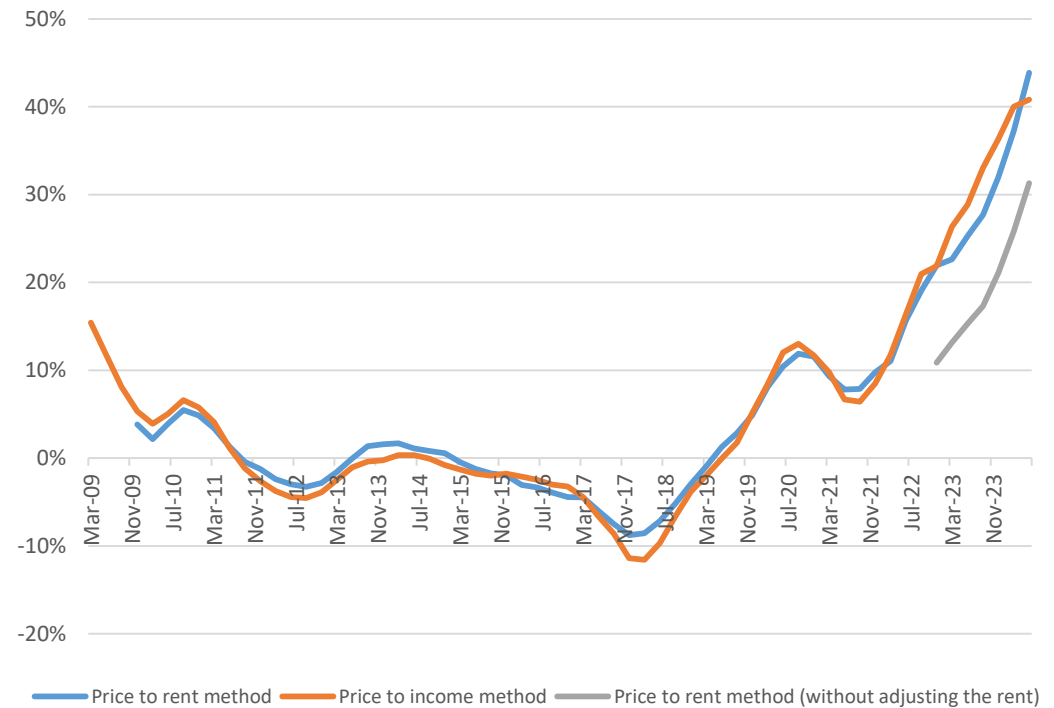
*The dynamics of real estate price and rent for 2022-2024 period**



Source: Real estate cadastre and Statistical committee

* Average value of 1sq meter of multi-flat apartment in Yerevan

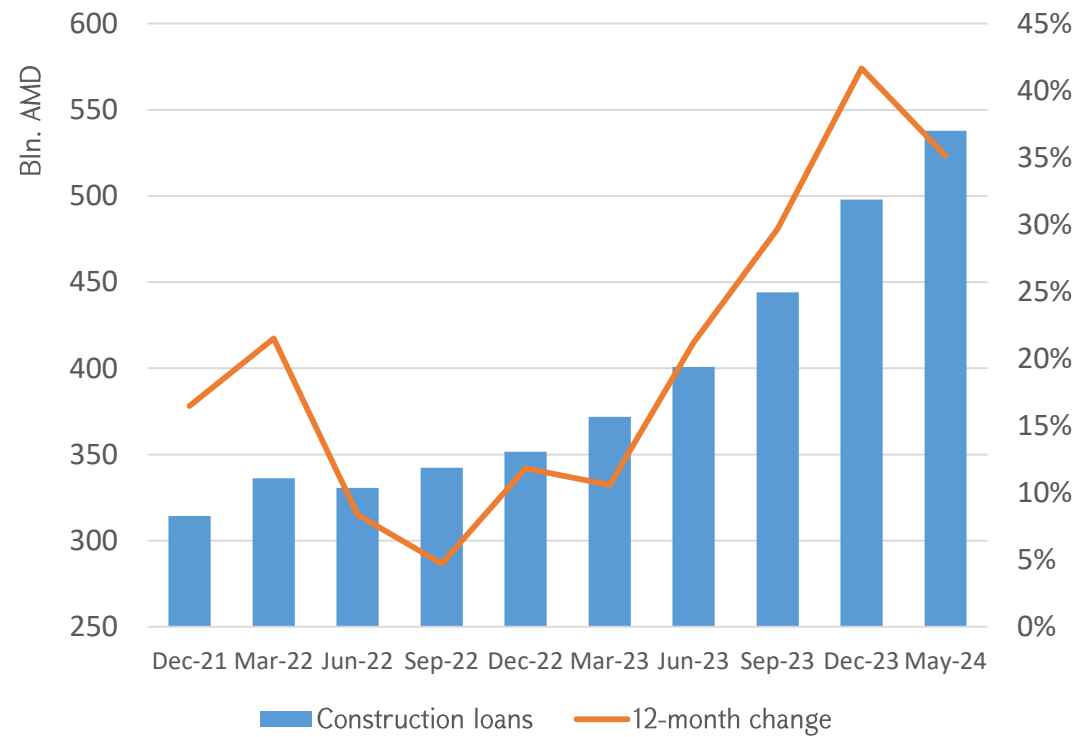
The estimate of possible real estate price overvaluation



Source: CBA

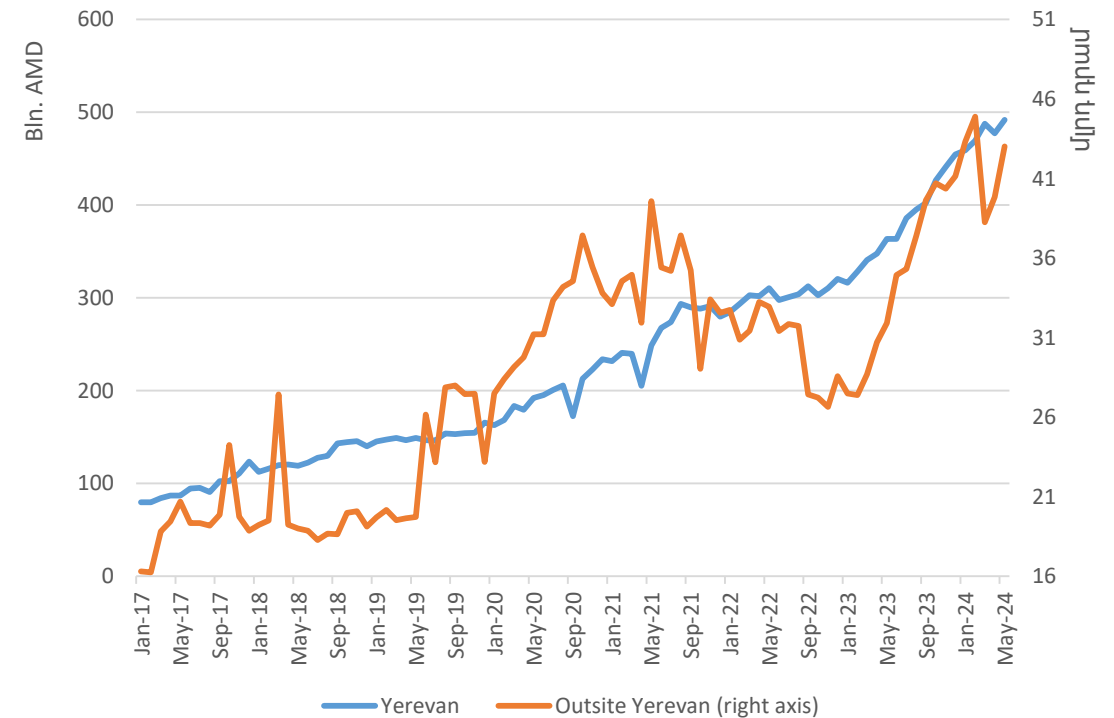
The loans to construction sector are rising and are mainly concentrated in the capital city

The loans to construction sector and 12-month growth



Source: CBA

Areal distribution of construction loans



Source: CBA

Conclusion

Taking into account, that

- ✓ Developments in the credit market are balanced and there are no obvious signs of risk build-up,
- ✓ The cyclical systemic risks in the financial system continue to be at such a level where the risks are neither elevated nor subdued,

The CCyB rate has been unchanged at the level of 1.5%.