



THE BOARD OF THE CENTRAL BANK OF ARMENIA

DECISION

CODE

050.0094 N. 21.04.2026

21 April 2026 94-N

ON APPROVING THE SIZE OF THE COUNTERCYCLICAL CAPITAL BUFFER (1st quarter of 2026)

Aimed at ensuring the stability of the financial system;

guided by part 3 of Article 2 and point "e" of Article 20 of the Law of Republic of Armenia "On the Central Bank of the Republic of Armenia", Article 53, part 1 of Article 54.1 of the Law of the Republic of Armenia "On banks and banking" and the "Procedure for setting and calculating thresholds above the capital adequacy ratio of banks" approved by Decision of the Board of the Central Bank of the Republic of Armenia No 16 of February 4 2019, the Board of the Central Bank of the Republic of Armenia hereby:

D e c i d e s :

1. To leave the rate of countercyclical capital buffer of banks unchanged, at 1.75% of risk-weighted assets.
2. This Decision shall enter into force on the day following its publication.

Republic of Armenia
Governor
of the Central Bank of Armenia

Martin Galstyan

Yerevan

Rationale

For setting the Counter-Cyclical Capital Buffer (Q1 2026)

At its meeting on 21 April 2026, the Board of the Central Bank decided to keep the countercyclical capital buffer unchanged at 1.75% of risk-weighted assets¹.

In making its decision on the countercyclical capital buffer (hereinafter also referred to as the countercyclical capital buffer, CCyB), the Central Bank of the Republic of Armenia was guided by a comprehensive analysis of macro-financial developments and trends in the credit market. In particular:

1. As of the fourth quarter of 2025, the credit-to-GDP ratio² stood at around 82%. Accordingly, the credit-to-GDP gap increased to about 3.2 percentage points. Compared to the previous quarter, the financial cycle index also increased, mainly driven by developments observed in certain lending segments.
2. The annual growth rate of the total loan portfolio remained elevated. While household and business lending contributed broadly equally to overall growth, developments varied across segments. In particular, the strong growth observed in consumer lending in previous quarters continued. At the same time, growth in mortgage lending moderated compared to earlier periods. Nevertheless, the volume of newly issued mortgage loans remained broadly in line with the high levels seen in previous years³. As a result, the household debt burden increased, as reflected in a higher household credit-to-GDP ratio. At the same time, longer loan maturities and lending programs implemented under government support schemes help mitigate risks related to debt servicing.
3. The tightening of liquidity requirements (LCR and NSFR), effective from 1 May 2026, is expected to somewhat contain further risk accumulation in the credit cycle.
4. In the real estate market, demand has shown signs of relative stabilization, while price growth has continued to slow. As noted in previous CCyB rationales, a further decline in market activity remains possible, given the termination of the income tax refund program and increasing saturation of demand.
5. Risks to financial stability continue to be driven primarily by heightened global political and economic uncertainty. In particular, the conflict in the Middle East since

¹ According to paragraph 12 of [“Determination and calculation of thresholds above the regulatory capital adequacy limit for banks”](#) the Central Bank of the Republic of Armenia sets the countercyclical capital threshold (hereinafter referred to as CCyB)) on a quarterly basis.

The Central Bank is guided by the provisions of [“General methodology for determining the countercyclical capital threshold”](#) document while determining the CCyB rate.

² Total credit (including leasing and factoring) provided by the financial system to the real economy as a share in GDP.

³ Except for end-2024, when massive flow of newly issued mortgage loans were registered conditioned by the termination of state supported income tax return program.

the beginning of 2026 has made an already uncertain global macroeconomic environment even more unpredictable. In this context, the likelihood of sudden, frequent, and simultaneous shocks remains high, with their impact on the global economy and financial markets depending largely on the duration and potential escalation of the conflict.

While acknowledging the current assessment of credit cycle developments and associated risks, the Central Bank Board also takes into account the restraining effect of tighter liquidity requirements and therefore considers it appropriate to keep the CCyB rate unchanged at 1.75%.

Any future changes to the CCyB rate - whether increases or decreases - will depend on further developments in macro-financial conditions, uncertainties, and systemic risks.