

MAIN FINANCIAL STABILITY INDICATORS AND RISKS

2nd quarter of 2026

Main indicators of the banking system

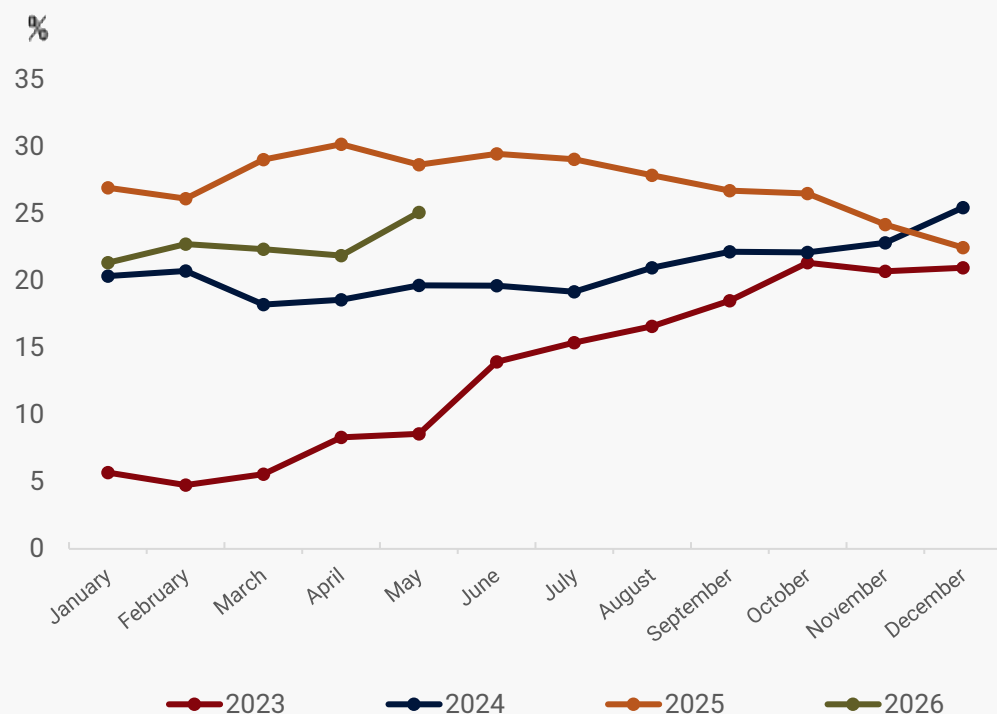
	Indicator value as of February 2026	12-month change
ASSETS	13.27 trillion AMD	18.37%
Loans	8.08 trillion AMD	25.10%
Non-performing loan ratio	1.4%	0.11 p.p.
LIABILITIES	11.27 trillion AMD	19.79%
Attracted deposits	6.87 trillion AMD	15.46%
EQUITY	2.01 trillion AMD	10.97%
Total Capital adequacy ratio	20.5%	0.61 p.p.
Liquidity coverage ratio	193.2%	-10.22 p.p.
Return on Equity	18.0%	-3.63 p.p.
Return on Assets	2.9%	-0.6 p.p.

* Information is as of May 2026.

Developments in credit market

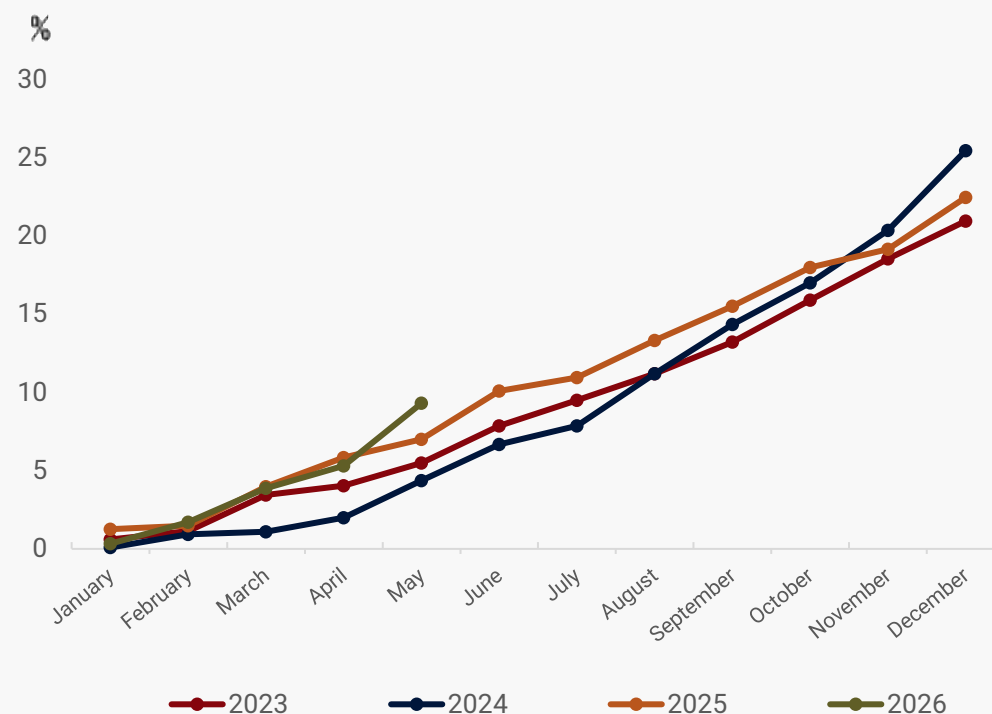
Total credit growth has remained at a high level

12-month growth rate of total credit stock



Source: the CBA

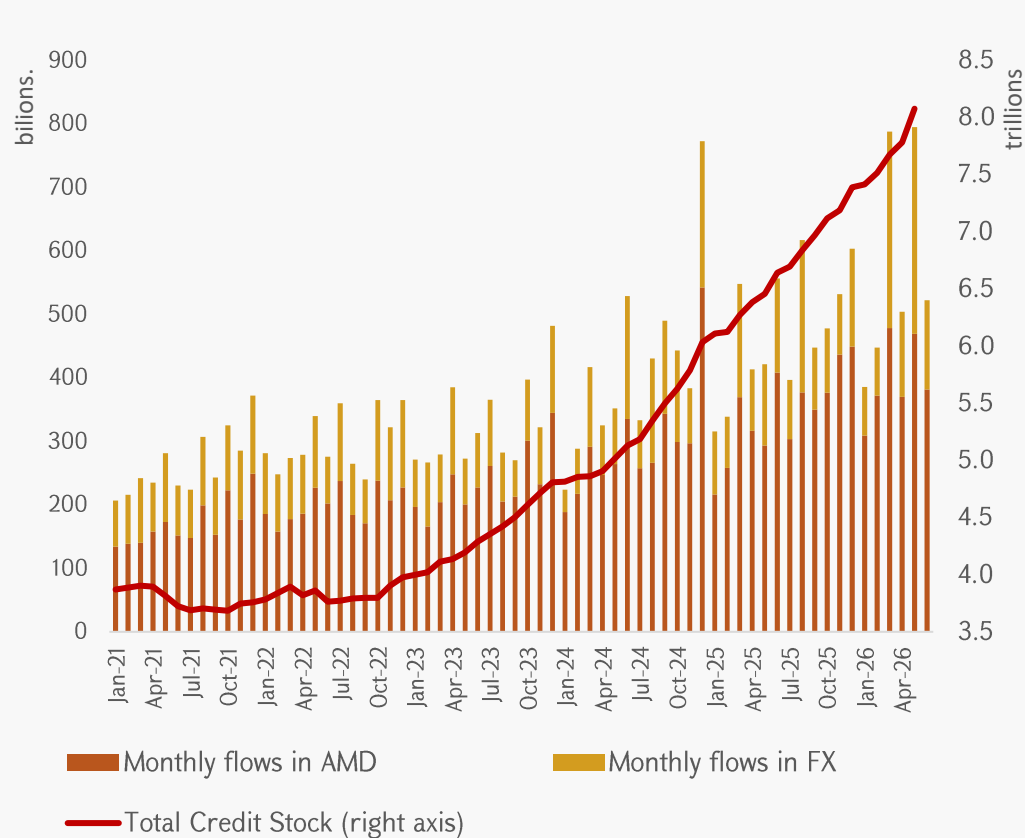
Growth rates of total credit stock compared to previous year end



Source: the CBA

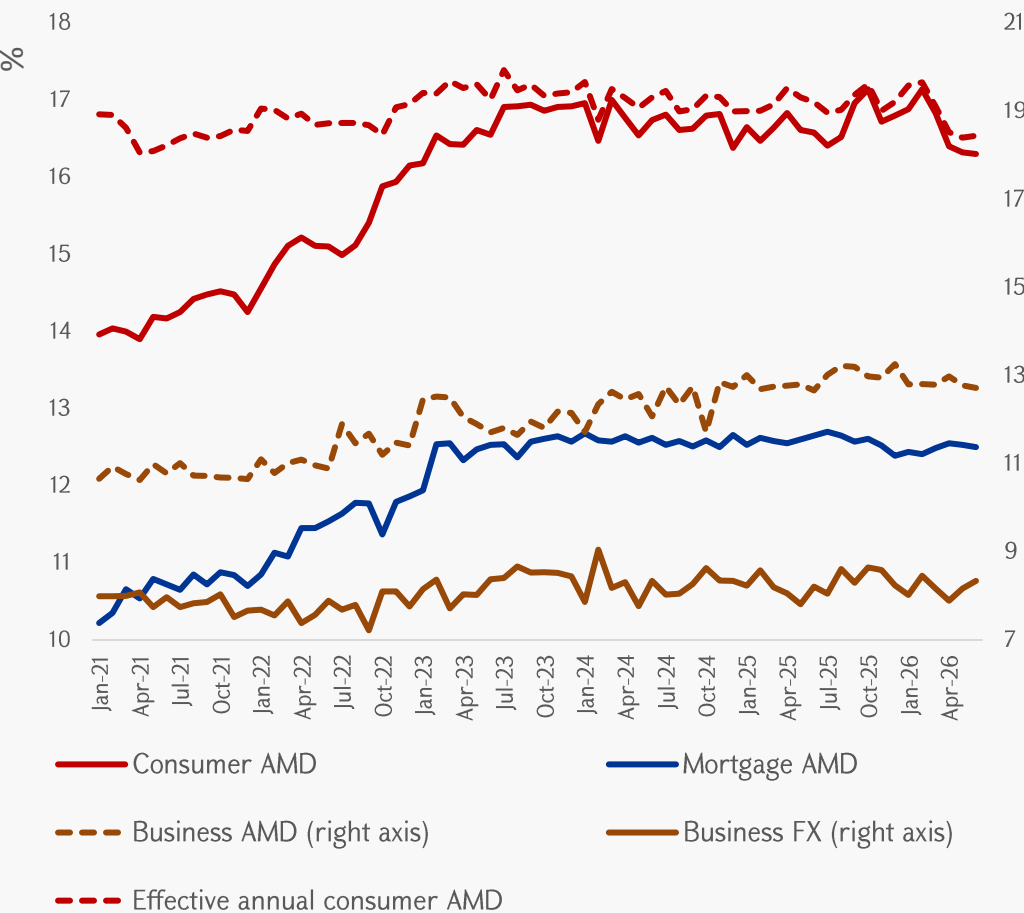
In an environment of high lending growth, interest rates have remained at a relatively stable level

Total credit stock and flows



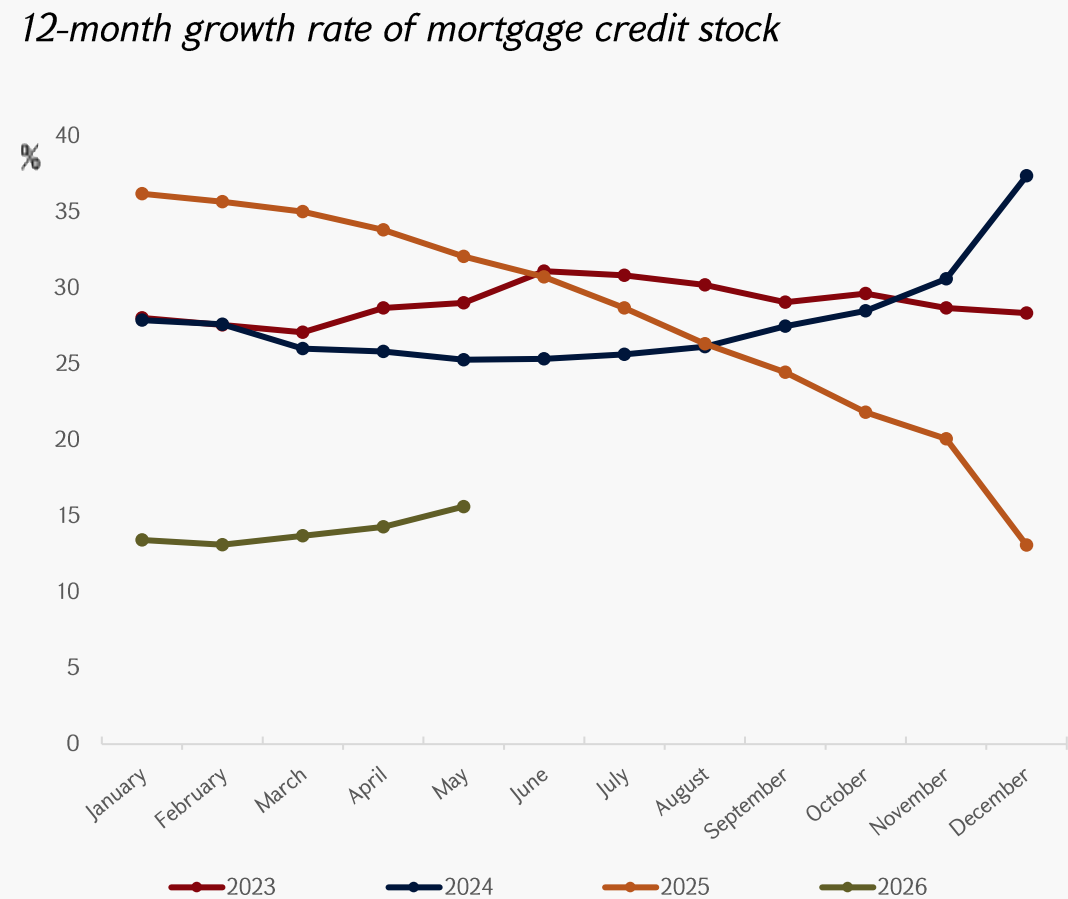
Source: the CBA

Dynamics of interest rates



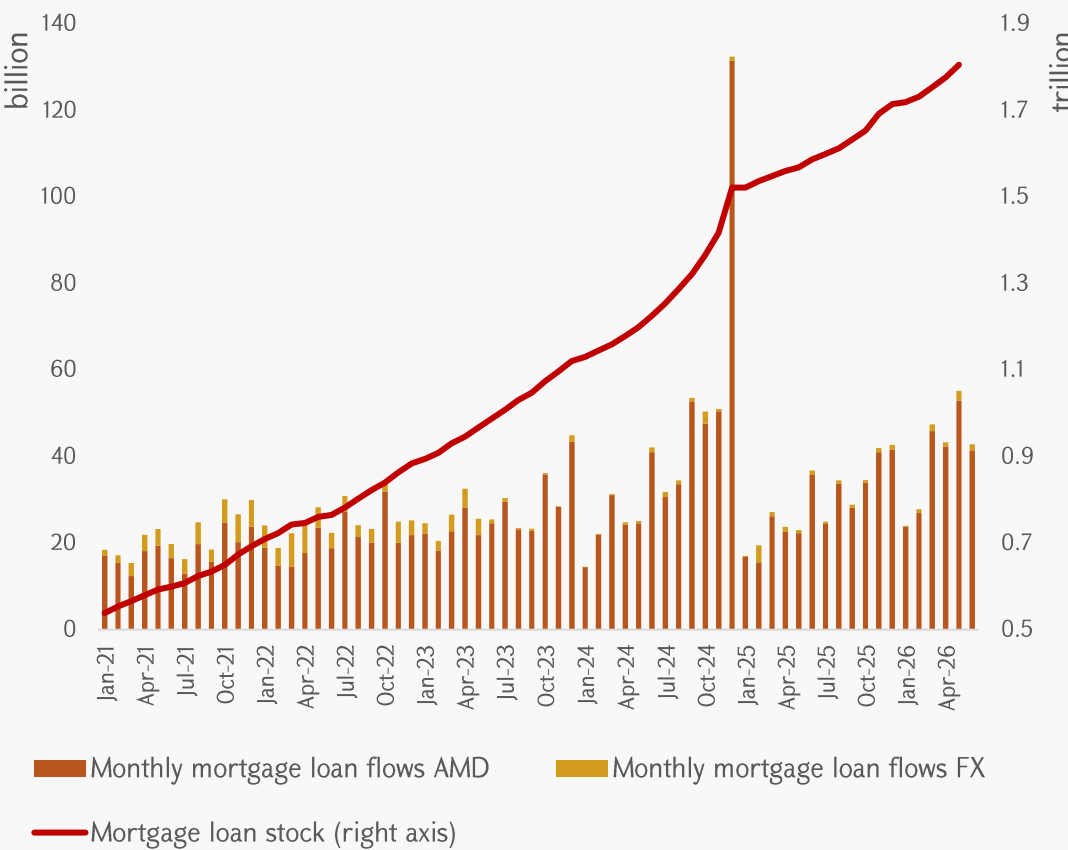
Source: the CBA

As of May 2026, the growth of mortgage loans has slightly increased compared with the end of the year. Since the beginning of the year, the volumes of new loan volumes (flows) exceed the previous year's indicator, reflecting a relative increase in market activity



Source: the CBA

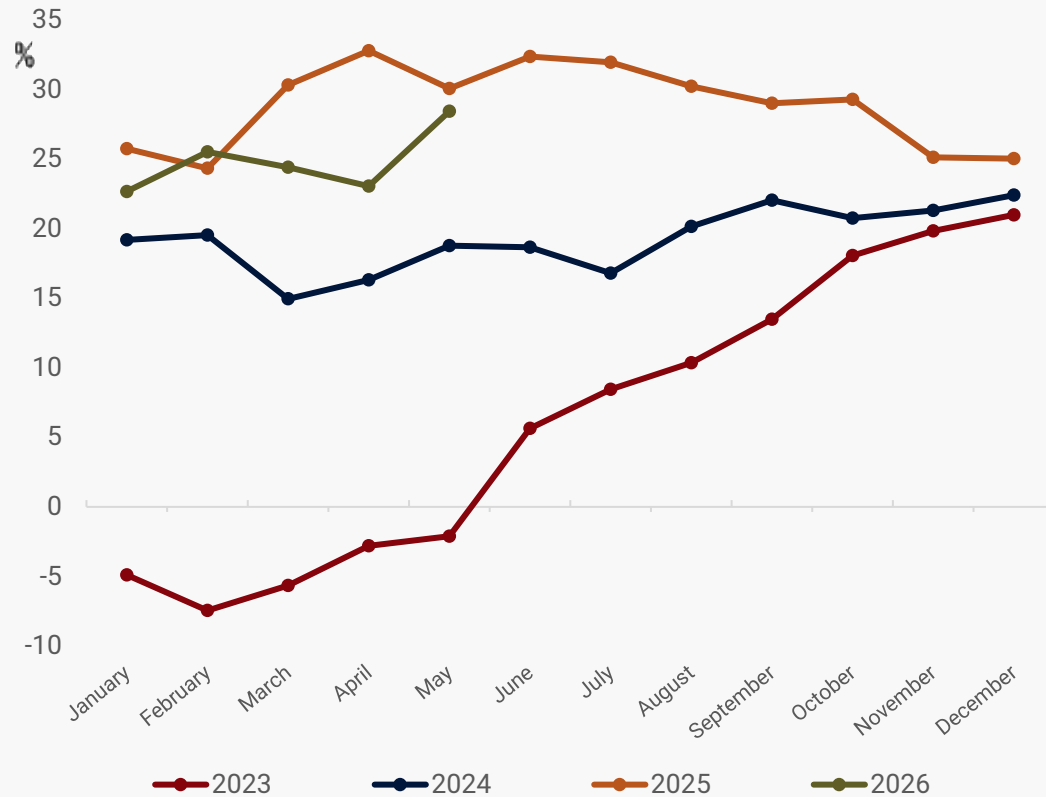
Growth rates of mortgage credit stock compared to previous year end



Source: the CBA

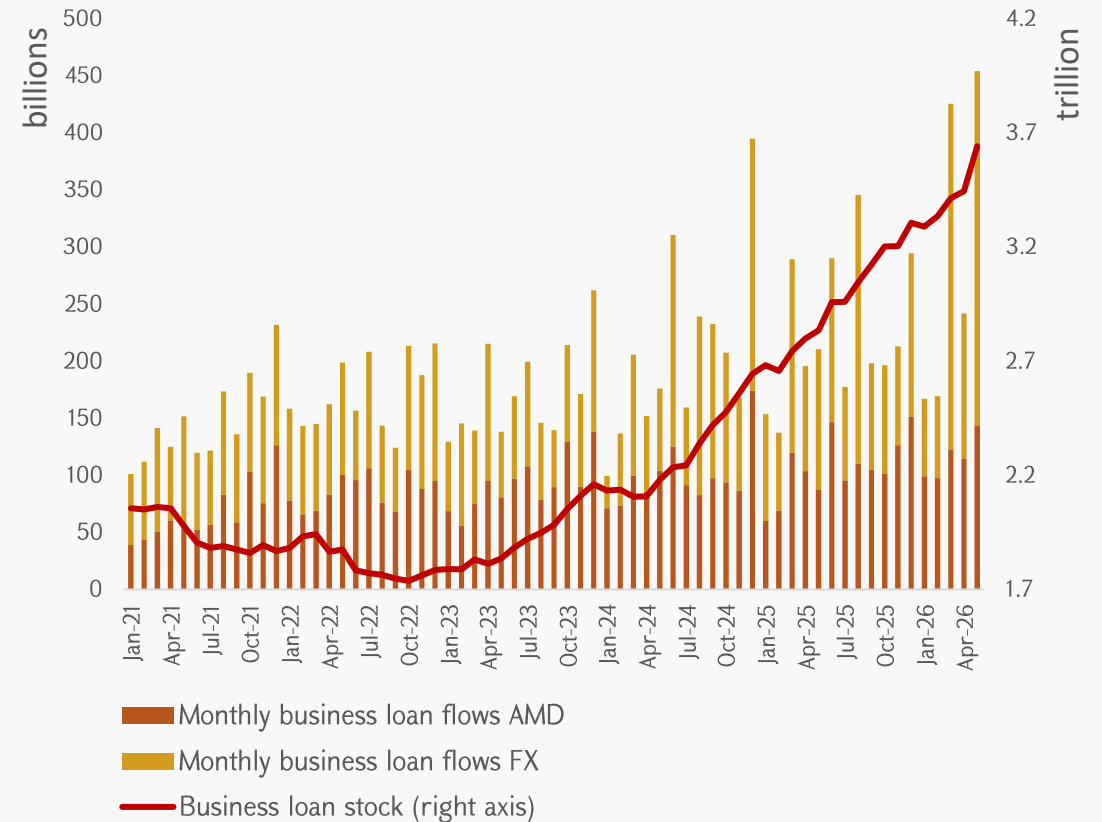
Amid high economic activity, the high growth rates of business loans have also been maintained

12-month growth rate of business loan stock



Source: the CBA

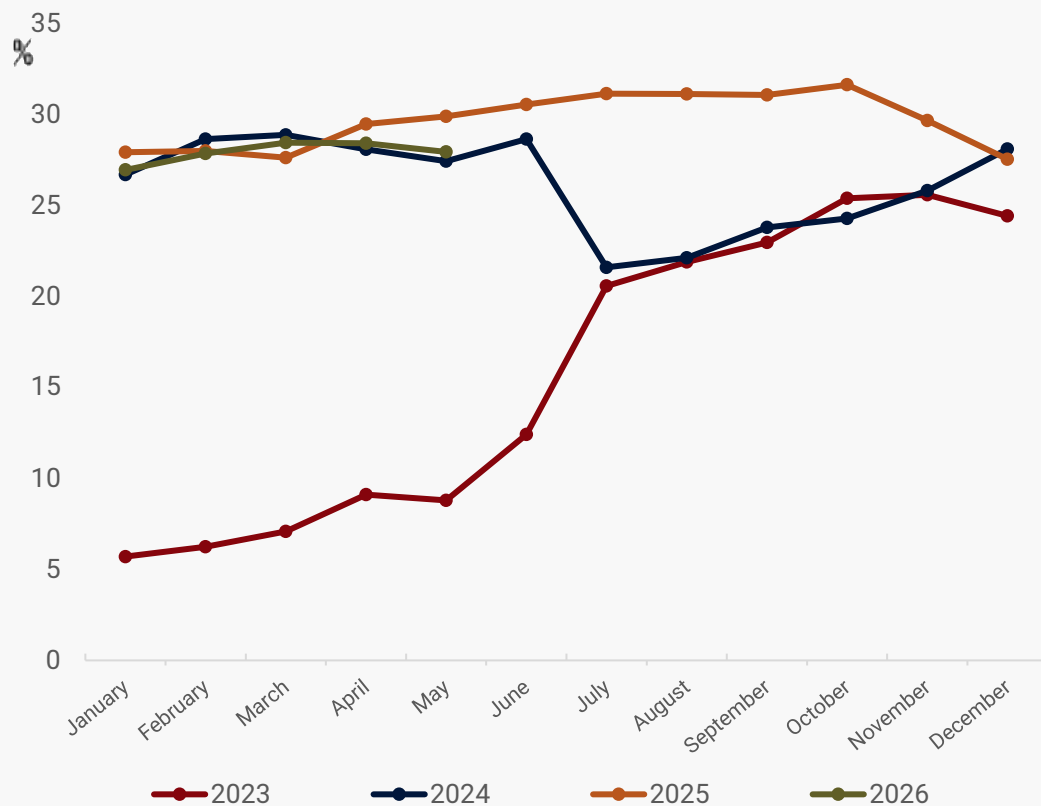
Stock and flow dynamics of business loans



Source: the CBA

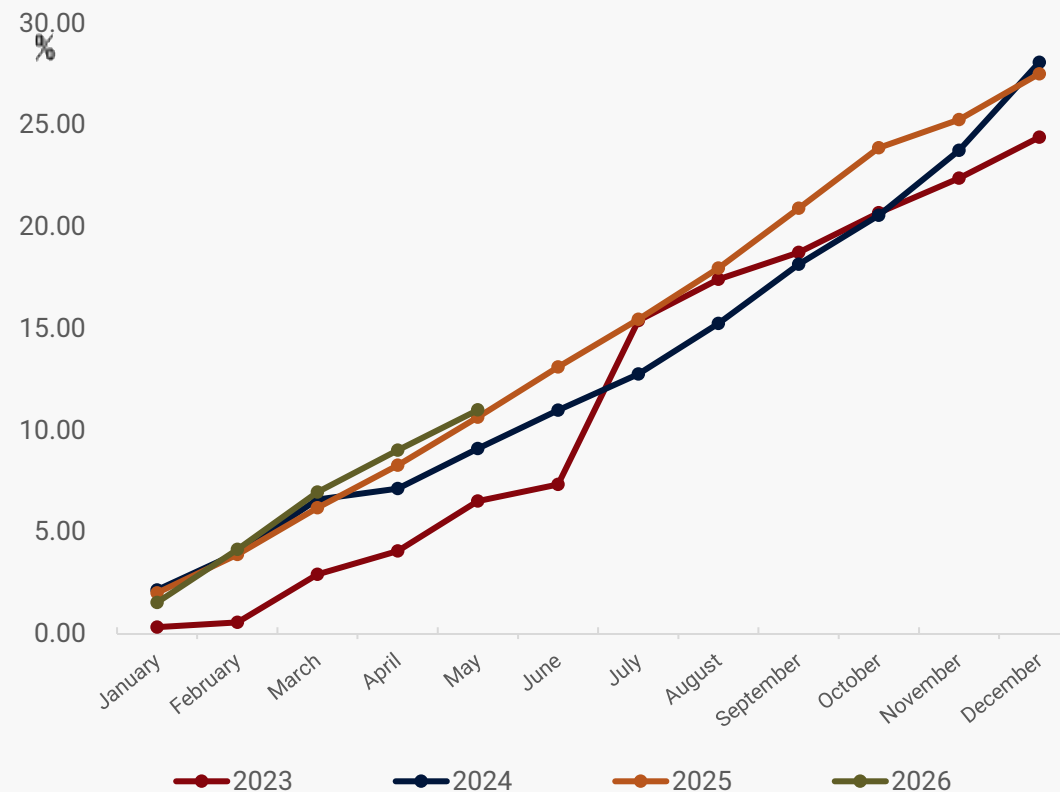
Growth rates of consumer lending remained high

12-month growth rate of consumer credit stock



Source: the CBA

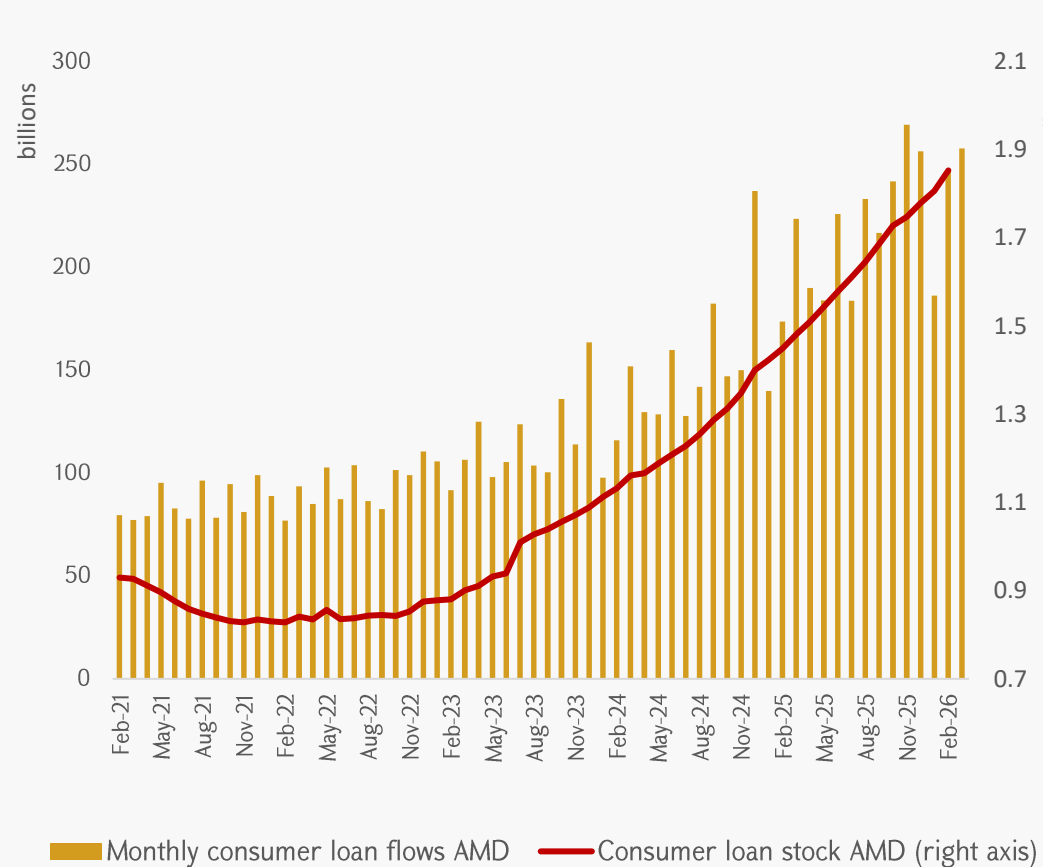
Growth rates of consumer credit stock compared to previous year end



Source: the CBA

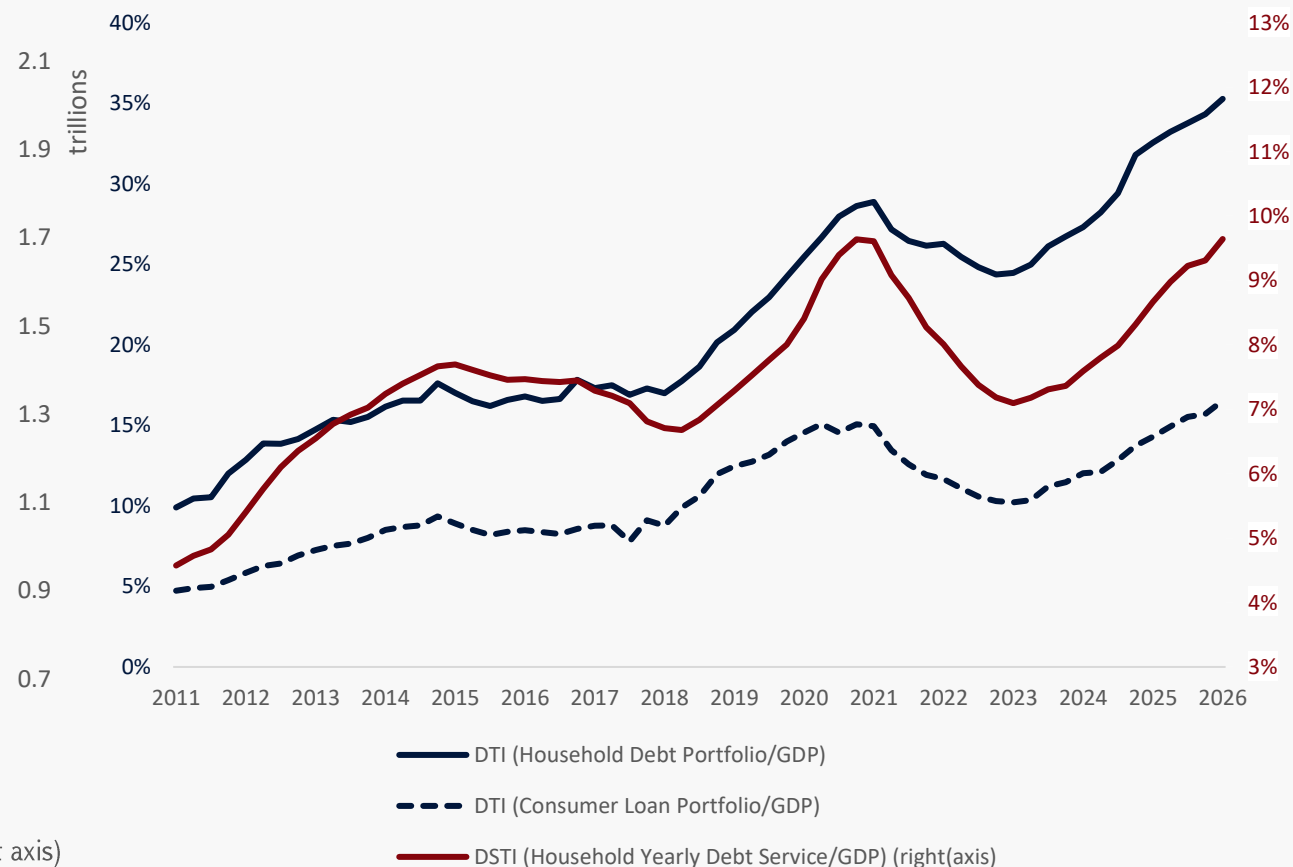
Growth of households' (HHs) debt burden continued

Stock and flow dynamics of consumer loans



Source: the CBA

Household DSTI and Household DTI



Source: the CBA

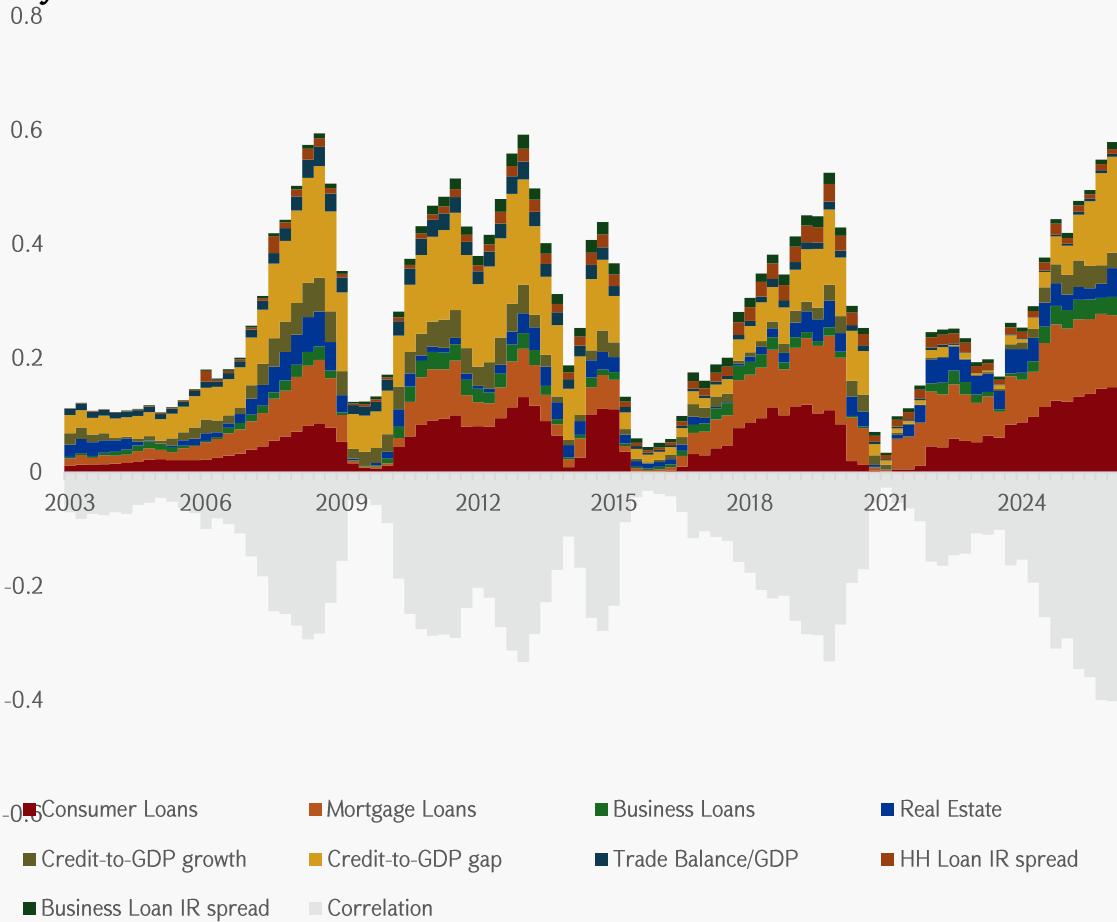
Financial Cycle Index and Credit-to-GDP Gap

The Financial Cycle Index kept rising, mainly due to the activity in credit and real estate markets

The Financial Cycle Index

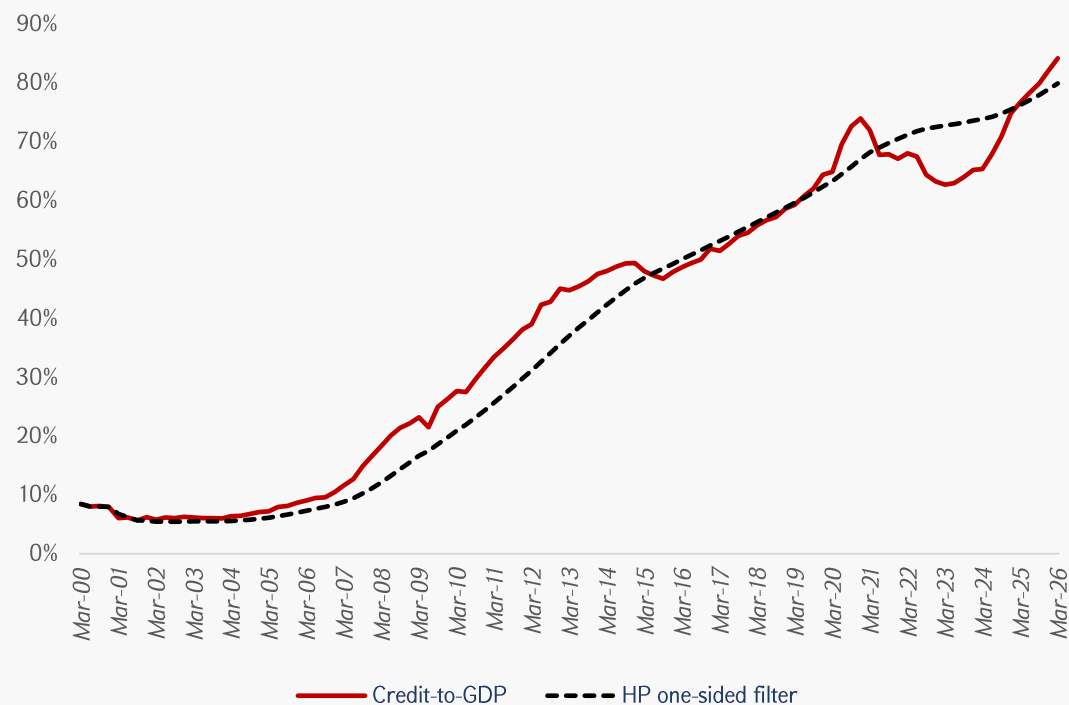


Contributions of the individual components of the Financial Cycle Index



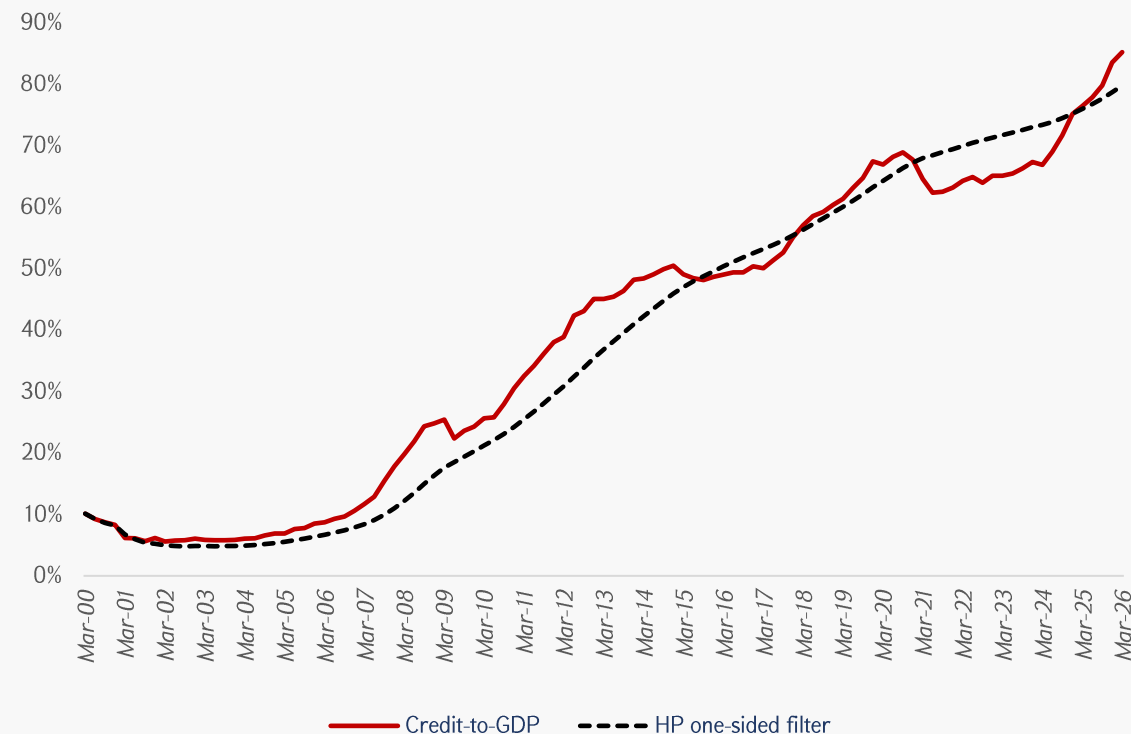
The credit/GDP maintained its growth reaching 4.28 percentage points

The credit/GDP Ratio and its Long-Term Trend



Source: the CBA / Statistical Committee

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



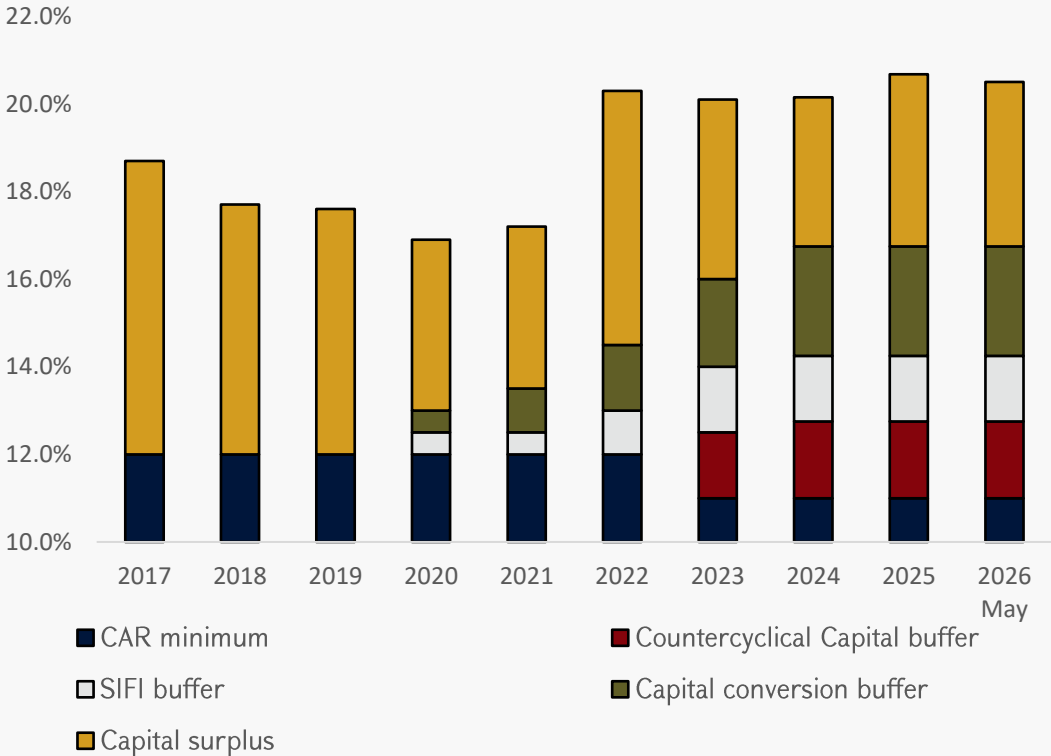
Source: the CBA / Statistical Committee

* The indicator was calculated based on the GDP smoothed series.

Risk Absorption Capacity

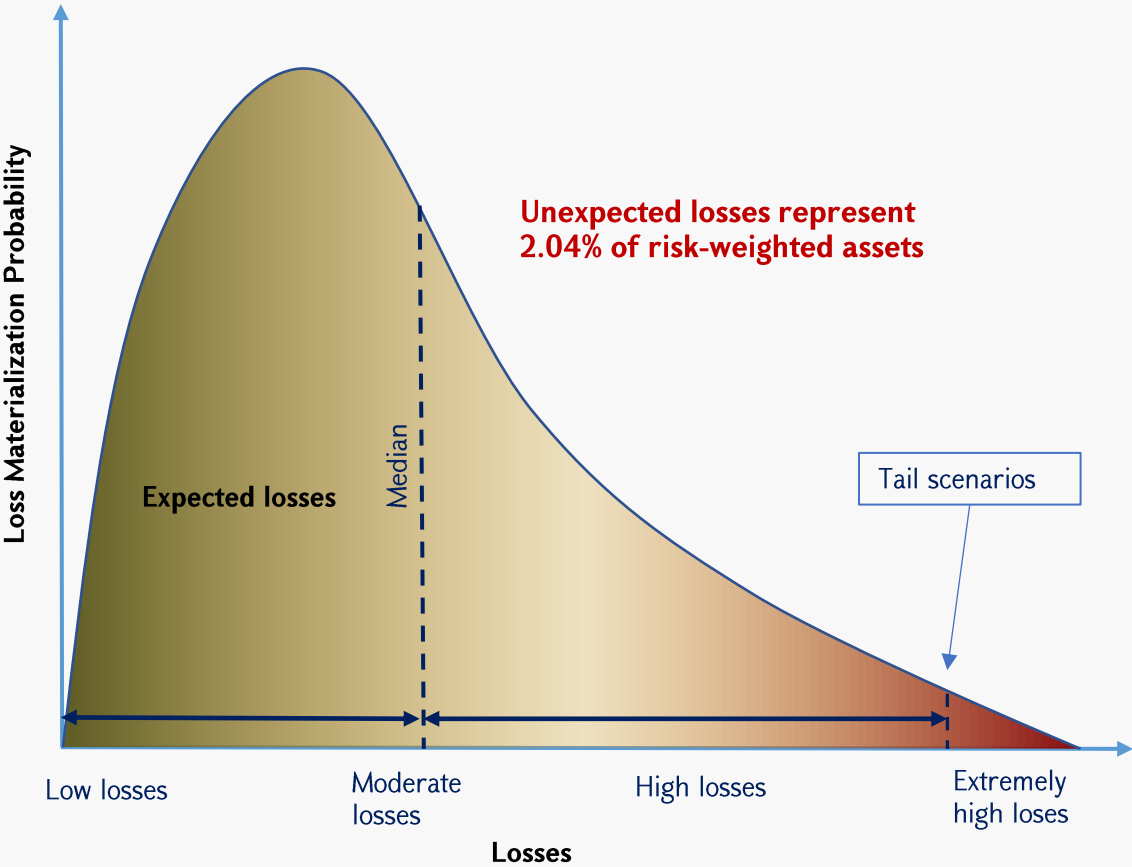
Excess capital reserves are almost unchanged compared to the end of 2025. Unexpected losses account for approximately 2.04% of risk-weighted assets.

Capital adequacy ratio*



Source: the CBA

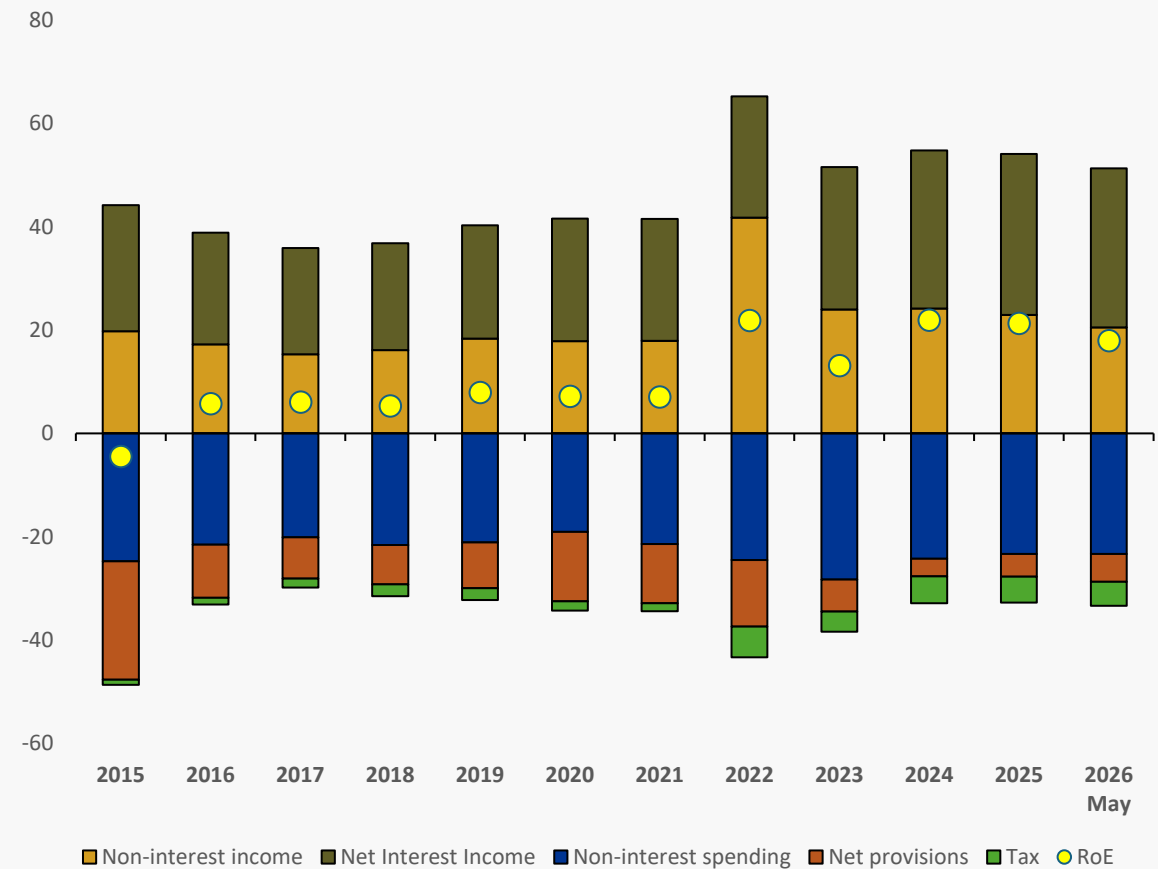
Stress test results



Source: the CBA

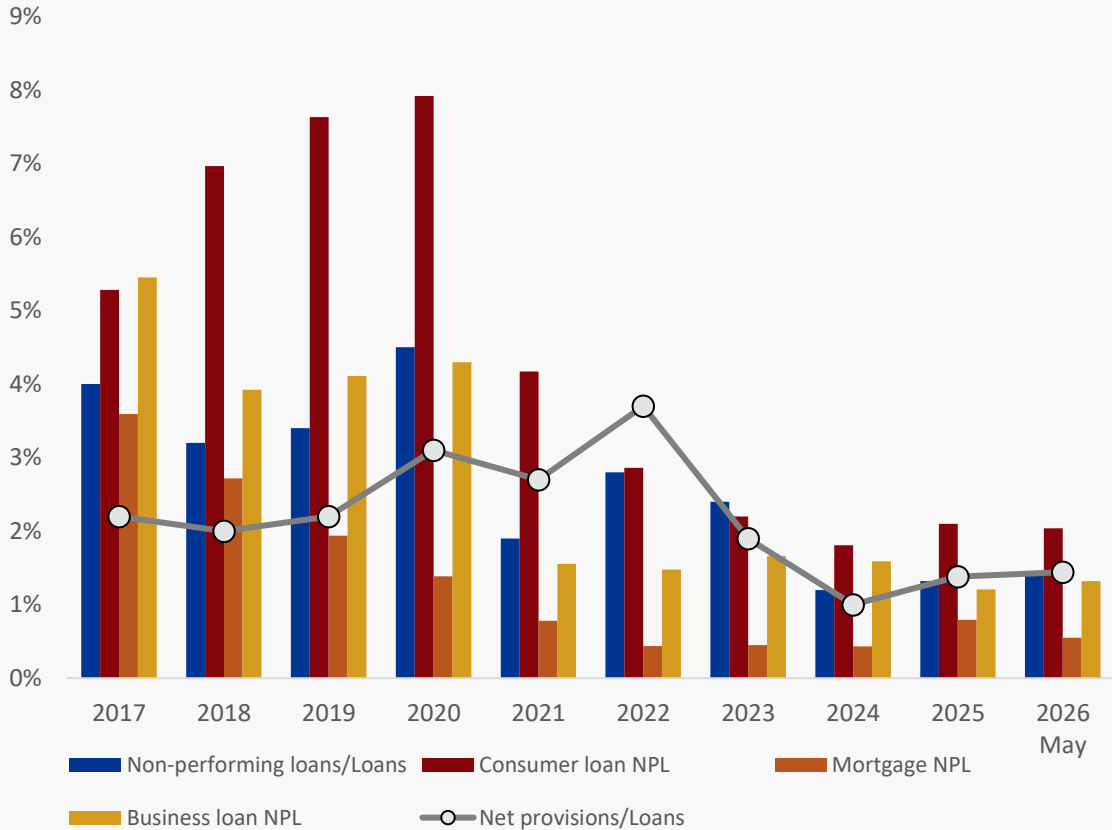
Return on equity has decreased decreased to certain extent. The share of non-performing loans is almost unchanged.

Return on equity by components



Source: the CBA

Weight on non-performing loans* and loan losses



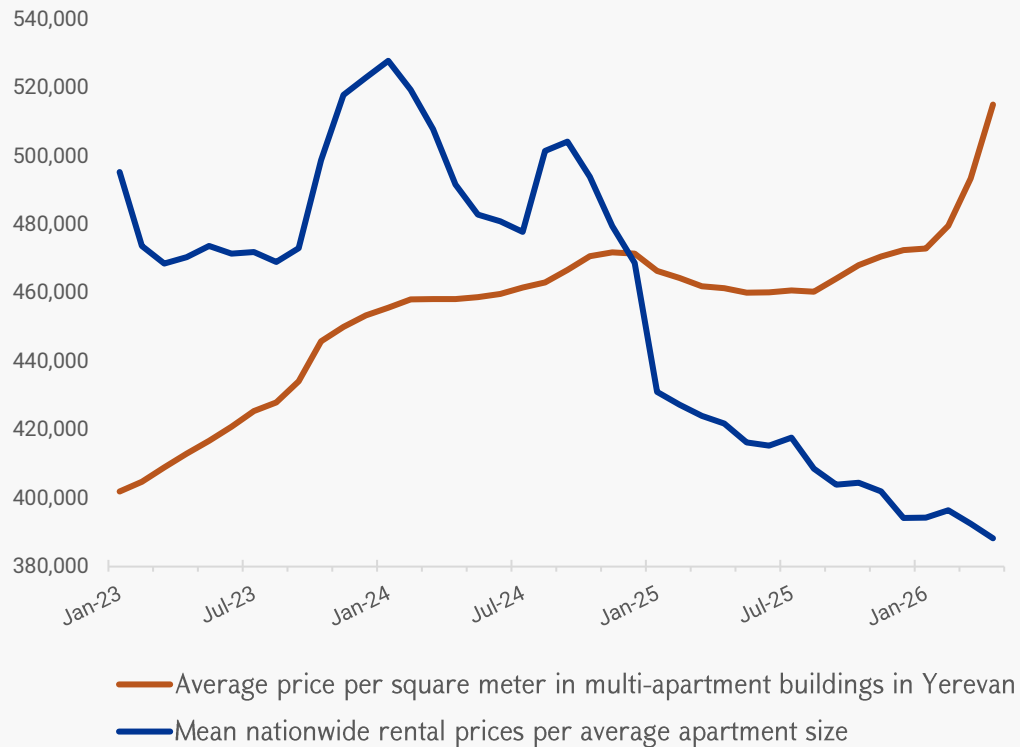
* Excluding loans classified as "watched"

Source: the CBA

Real Estate Market Indicators

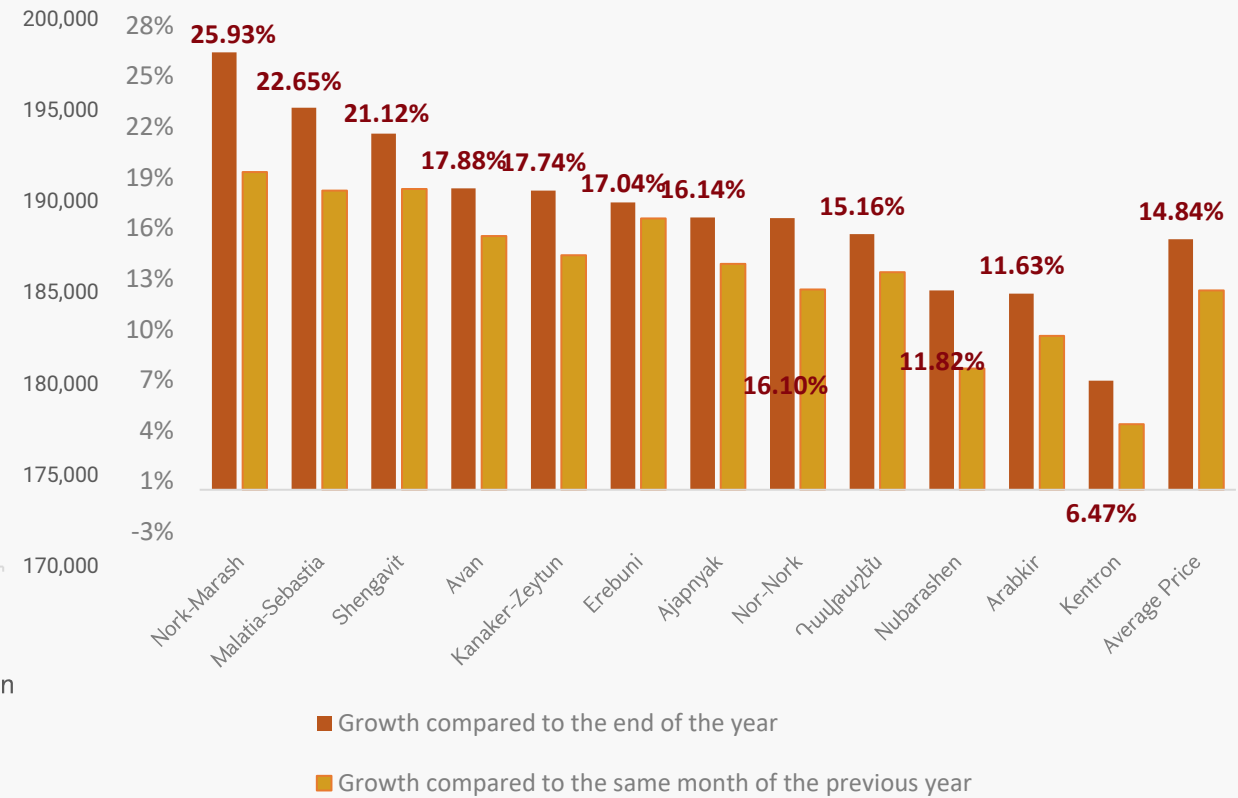
The average price of real estate has increased significantly compared to the end of the year, while rental payments have remained almost unchanged

Price per square meter of real estate and rental prices



Source: Cadaster Committee of the Republic of Armenia / Statistical Committee

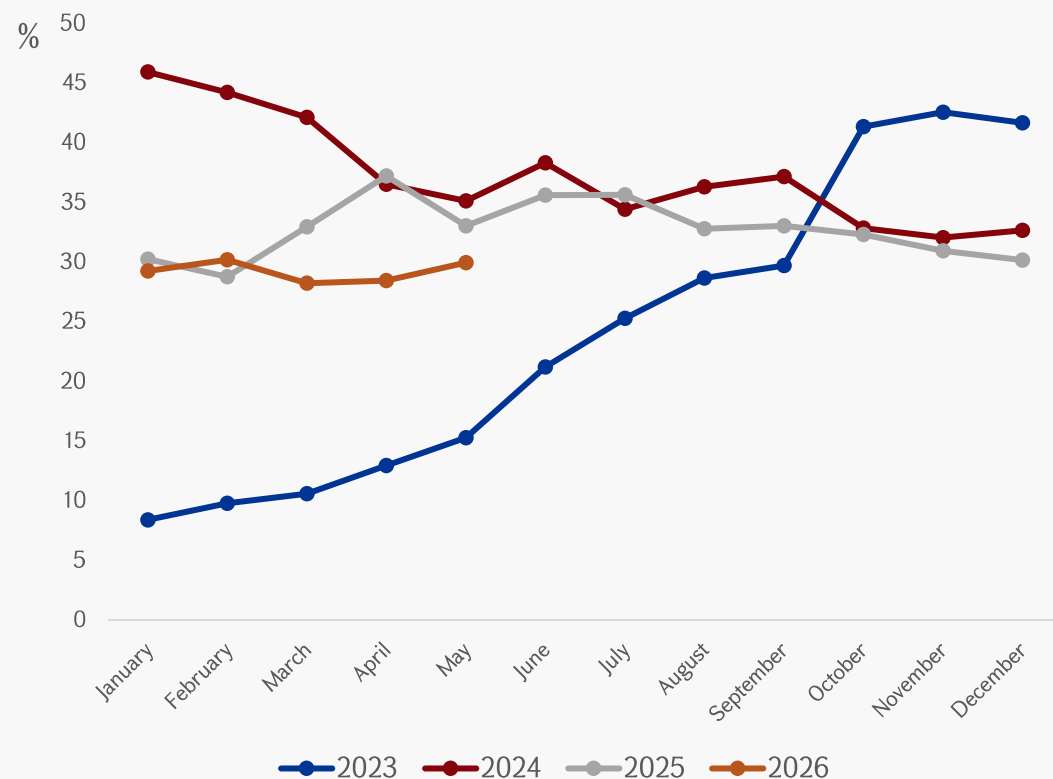
Changes in real estate prices by administrative districts of Yerevan



Source: Cadaster Committee of the Republic of Armenia / CBA

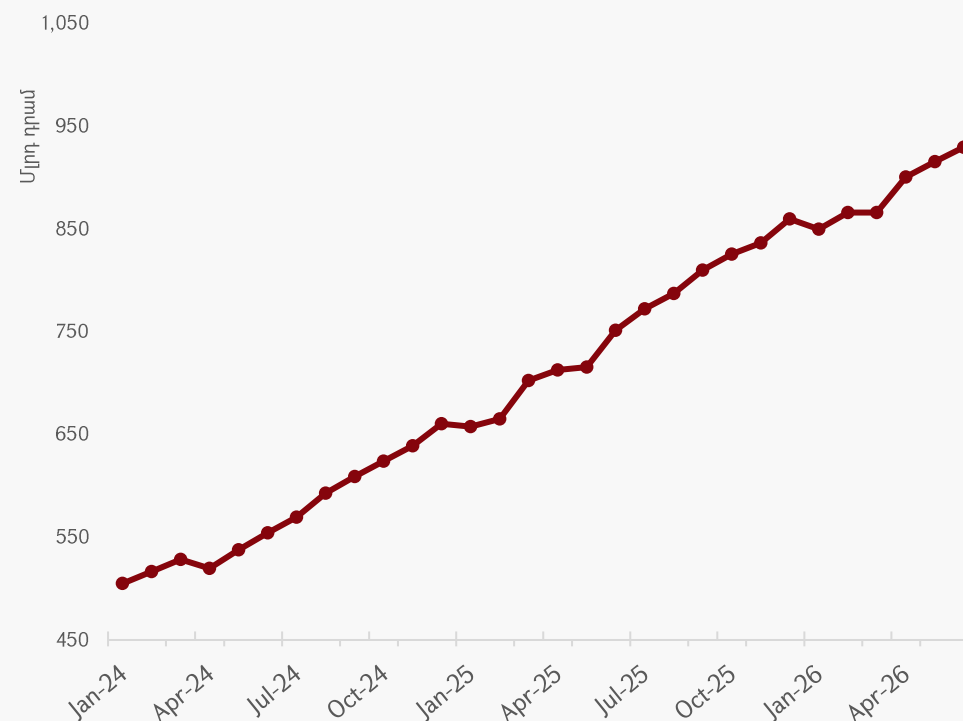
Annual growth rate of construction loans remained high

Annual growth rates of construction loans



Source: the CBA

Construction loan stock



Source: the CBA

- ✓ The growth rate of lending to the economy has remained at a high level. However, developments in lending sectors varied. In particular:
 - Consumer loan growth remained at a high level
 - Mortgage loan growth rates have stabilized, after a prolonged declining trend, while disbursement volumes have increased
 - Business loan growth was largely driven by the high growth rates of loans in the construction sector
- ✓ The debt burden of households (Debt to Income), as well as the debt service burden of the latter (Debt service to Income), continued to grow.
- ✓ The Loans/GDP gap continued growing, which, in addition to developments in the real estate market and in certain sectoral directions of lending, has been a factor contributing to the growth of the Financial Cycle Index continued.
- ✓ Risks stemming from the external geopolitical and regional uncertainty environment continue to remain predominant in the list of systemic risks.
- ✓ Under current macrofinancial risk conditions, the CCyB position is assessed as relatively moderate.

The countercyclical capital buffer (CCyB) rate was set at 2.00%.