



**CENTRAL BANK OF THE REPUBLIC OF ARMENIA**

# **MAIN FINANCIAL STABILITY INDICATORS**

**1st quarter of 2024**

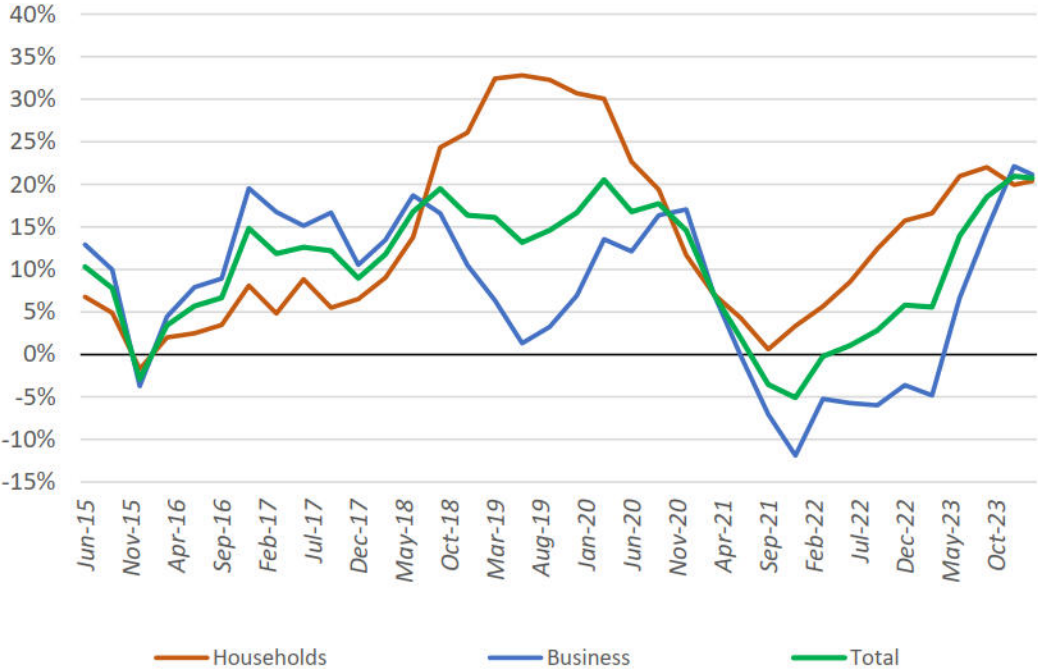
# MAIN INDICATORS OF THE BANKING SYSTEM\*

	Indicator value as of February	12-month change
<b>ASSETS</b>	AMD 9.23 trillion	11.43%
Loans	AMD 4.85 trillion	23.02%
Non-performing loan ratio	2.19%	-0.53 percentage points
<b>LIABILITIES</b>	AMD 7.80 trillion	11.51%
Attracted deposits	AMD 5.06 trillion	10.05%
<b>EQUITY</b>	AMD 1.43 trillion	11.02%
Total capital adequacy ratio	19.21%	-0.92 percentage points
Total liquidity ratio	34.23%	-3.03 percentage points
Return on Equity	13.92%	-7.69 percentage points
Return on Assets	2.16%	-1.12 percentage points

\* Information is as of February 2024

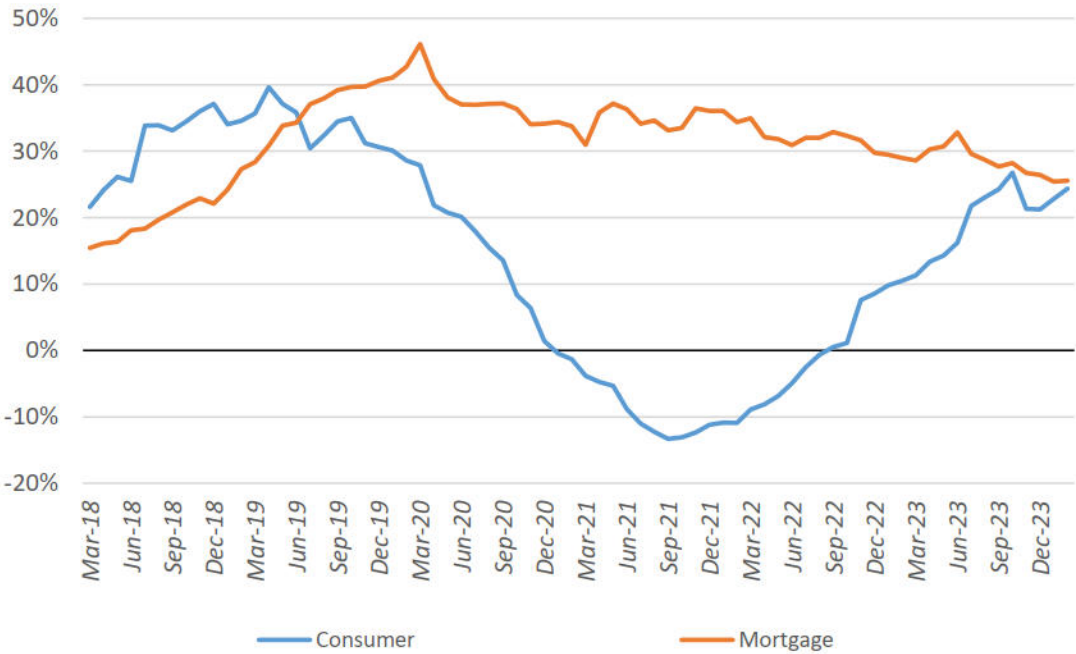
# The growth rates in the credit market are stabilizing

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



Source: CBA

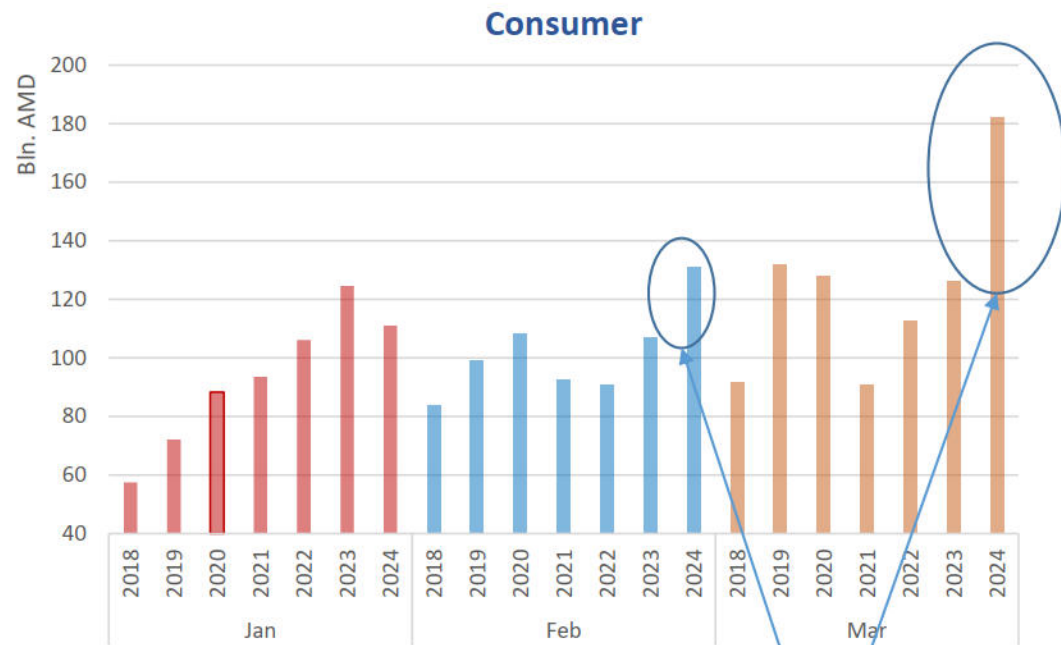
Y-o-y growth rate of household loan stock



Source: CBA

# Consumer credit market is growing

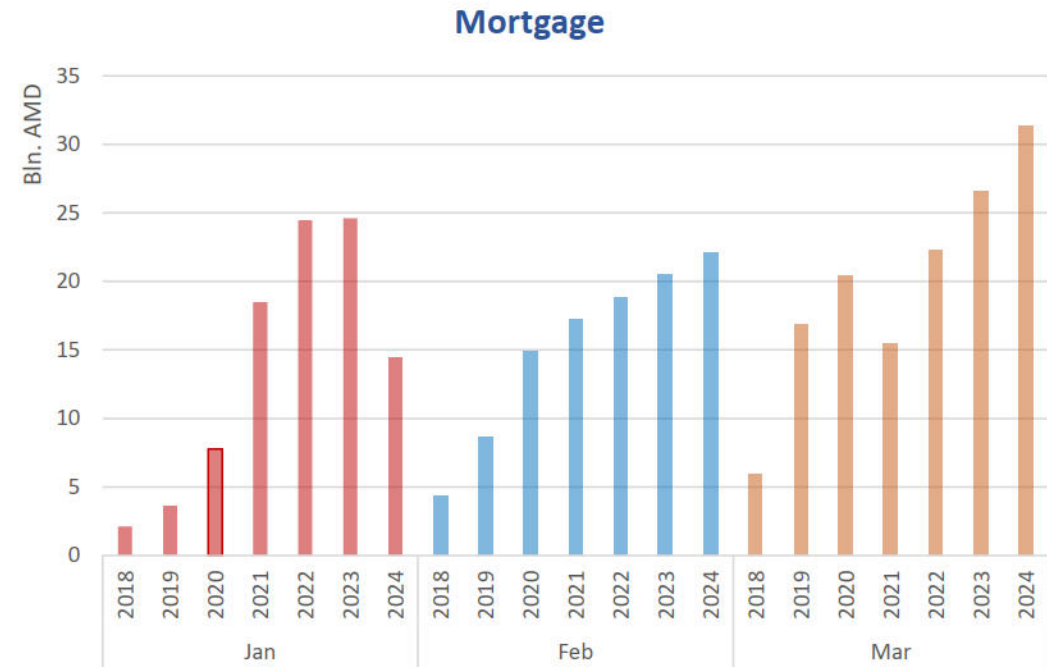
Volume of newly granted loans



Source: CBA

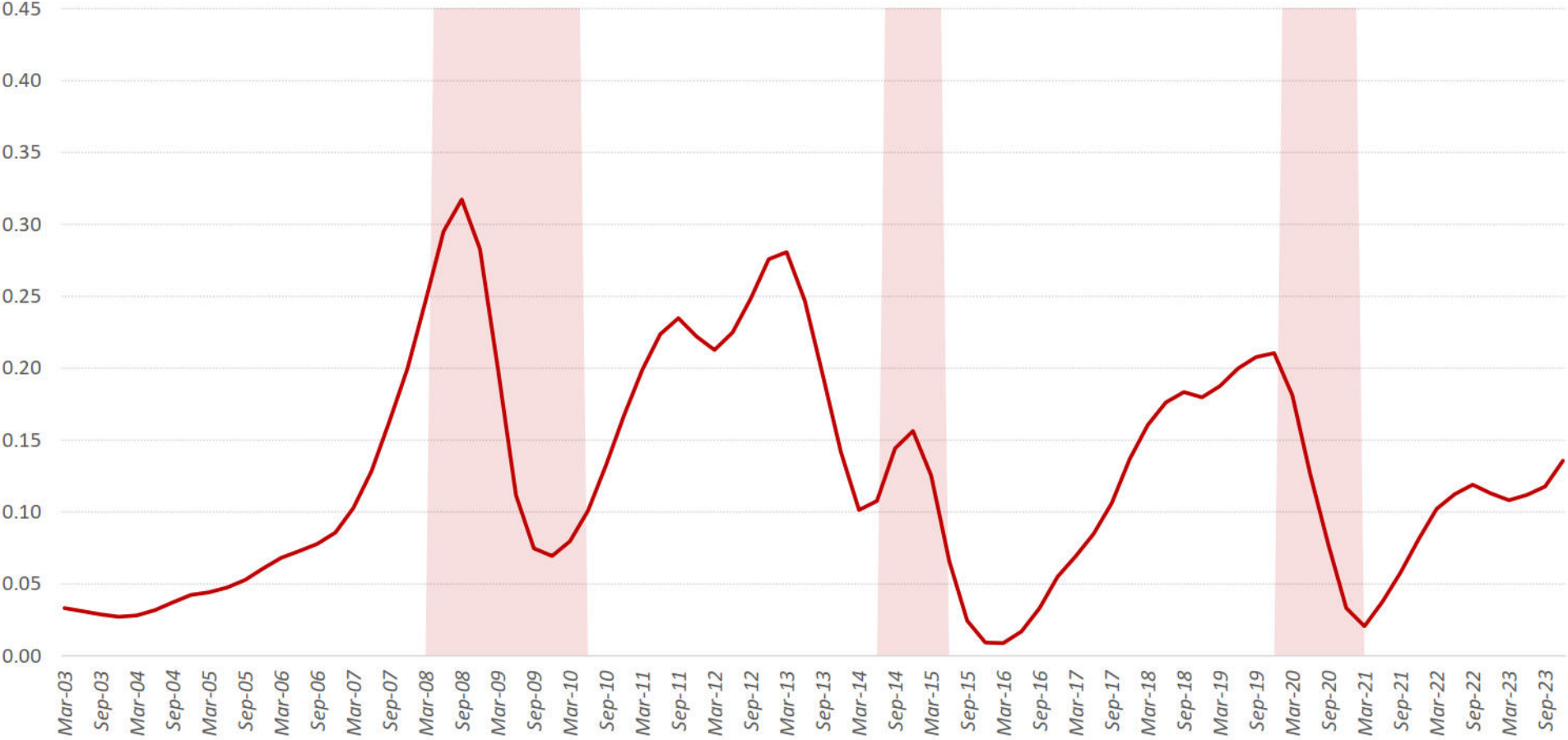
Newly granted consumer loans have increased compared to respective periods of previous years

Volume of newly granted loans



Source: CBA

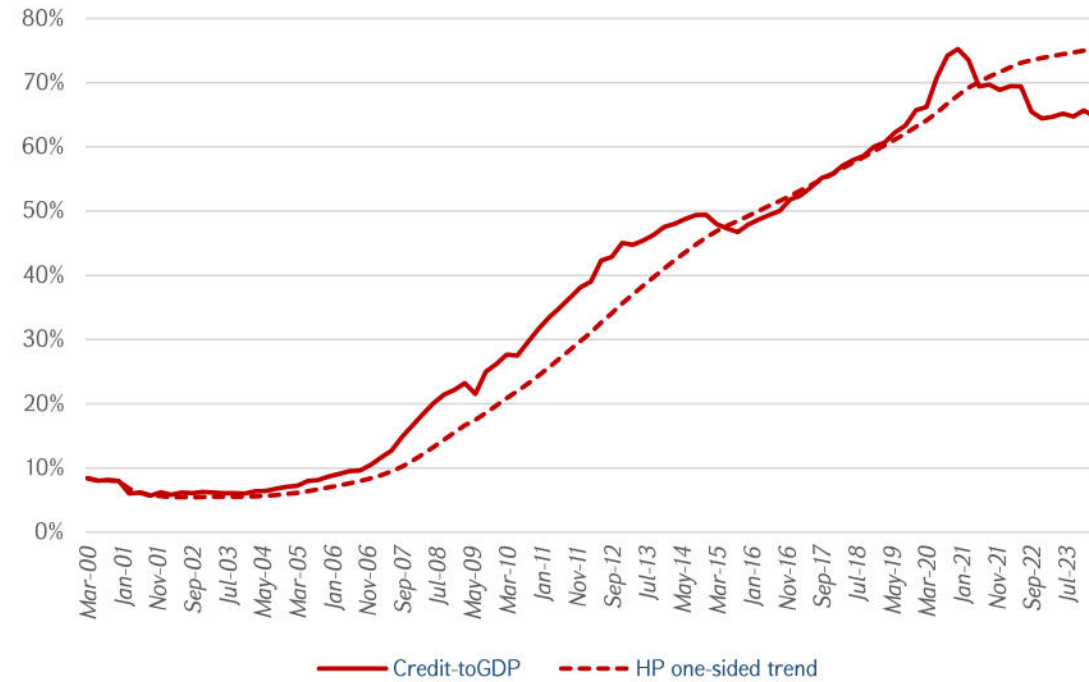
# Financial Cycle Index has moderately increased



Source: CBA

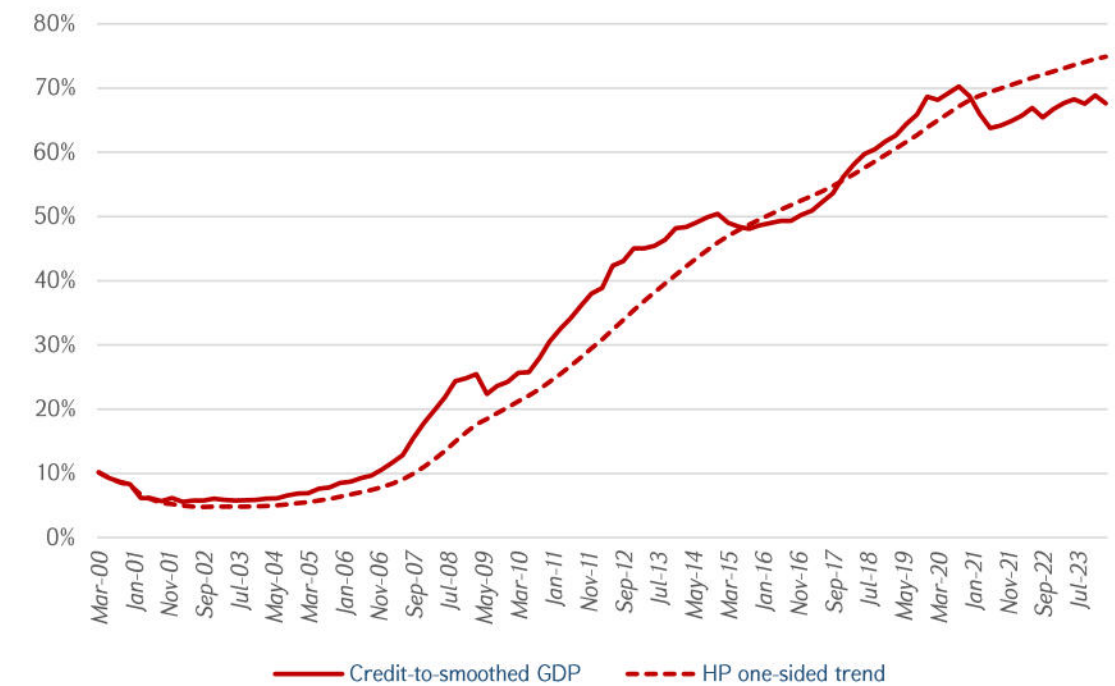
# The credit-to-GDP gap is negative

*Credit-to-GDP and its long-term trend*



Source: CBA calculations and Statistical committee of RA

*Credit-to-smoothed GDP and its long-term trend\**

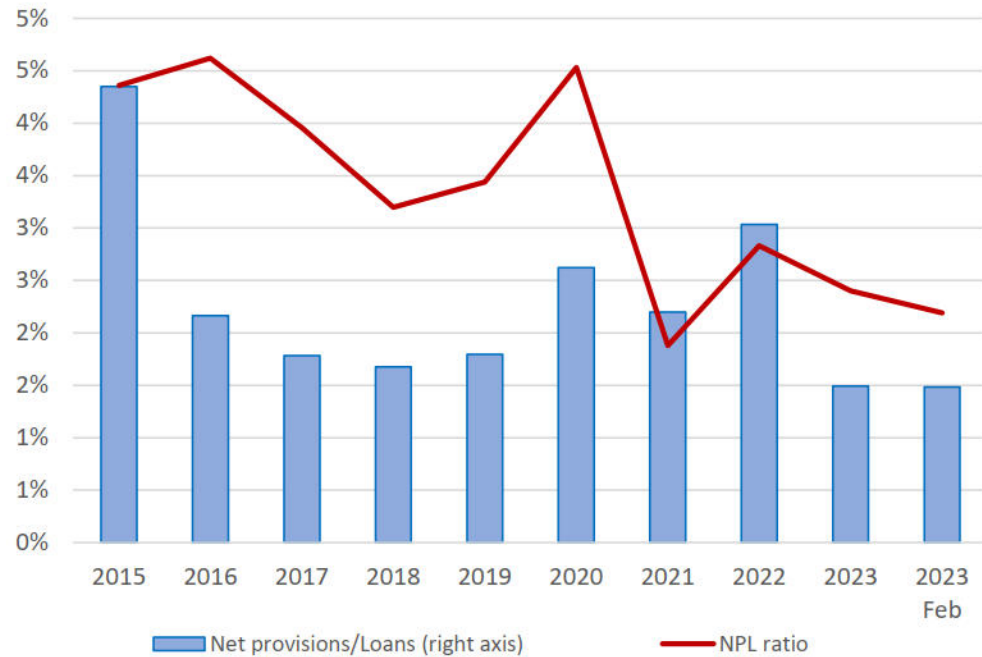


Source: CBA calculations and Statistical committee of RA

\* The ratio was calculated on the base of smoothed GDP series (via HP filter)

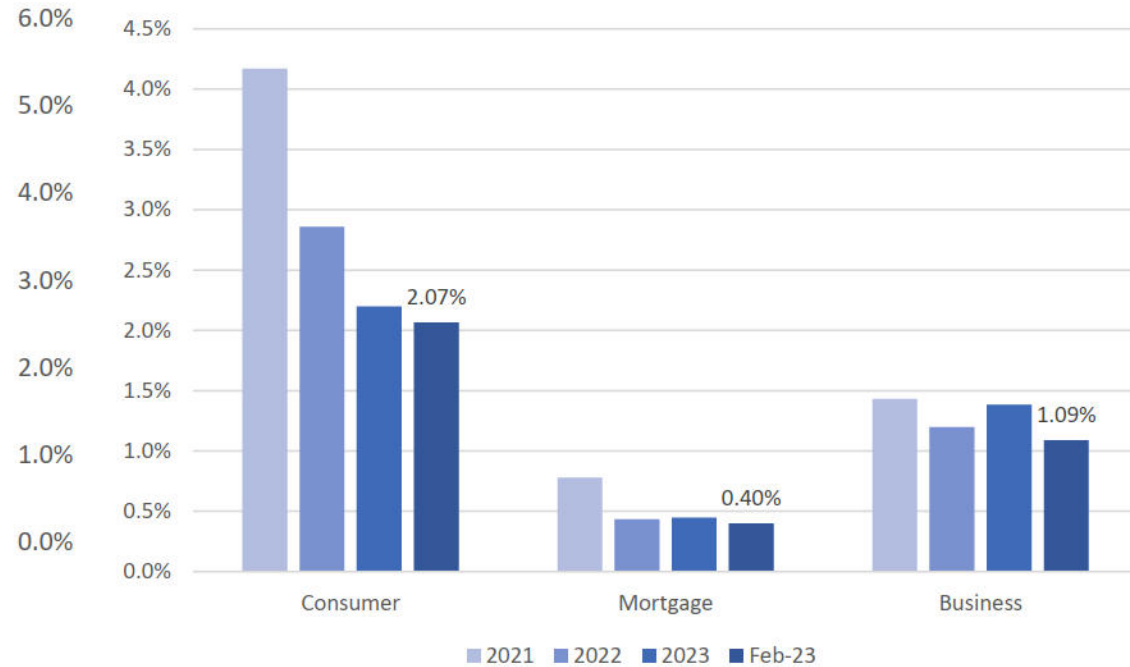
# Total NPL ratio is broadly unchanged

*NPL ratio\* and loan loss provisions to loans ratio*



Source: CBA

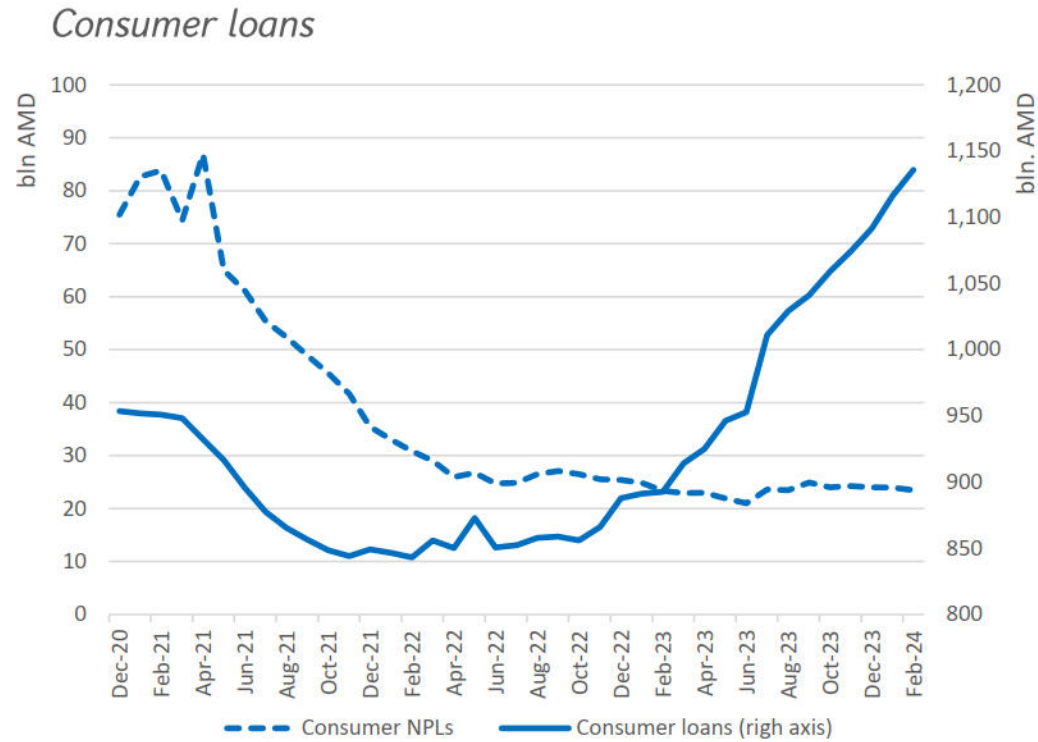
*NPL ratio\* by sectors*



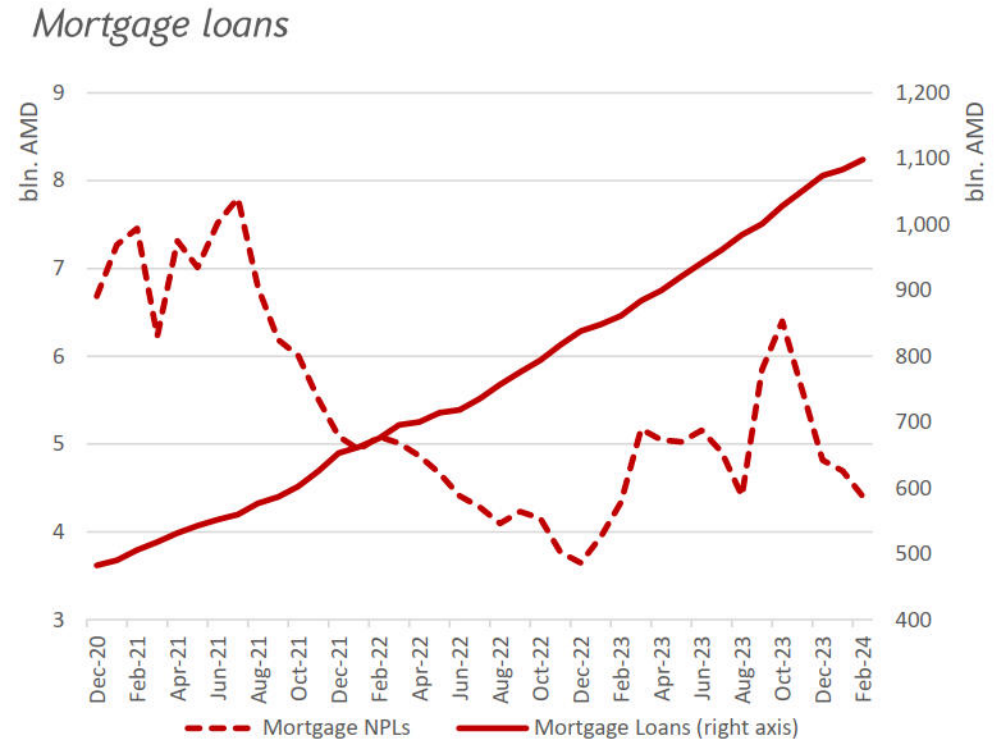
Source: CBA

\* The figure does not include loans in "watched" risk category

# The changes in NPL ratio has been mainly due to growth of loans



Source: CBA



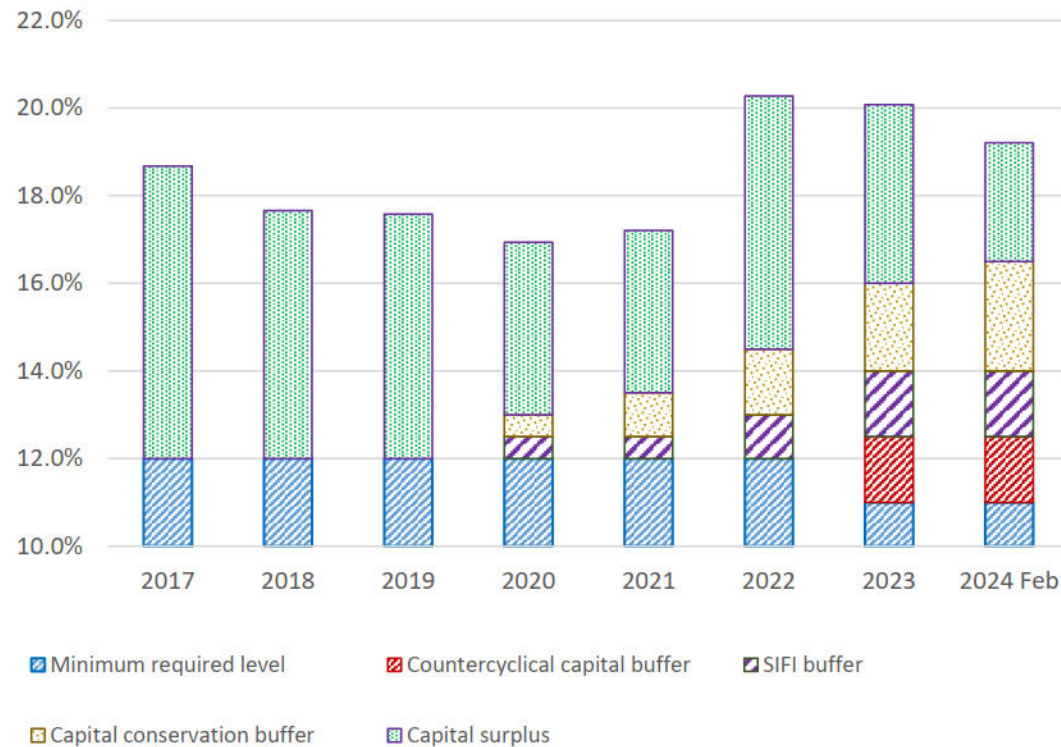
Source: CBA

\* The figure does not include loans in "watched" risk category



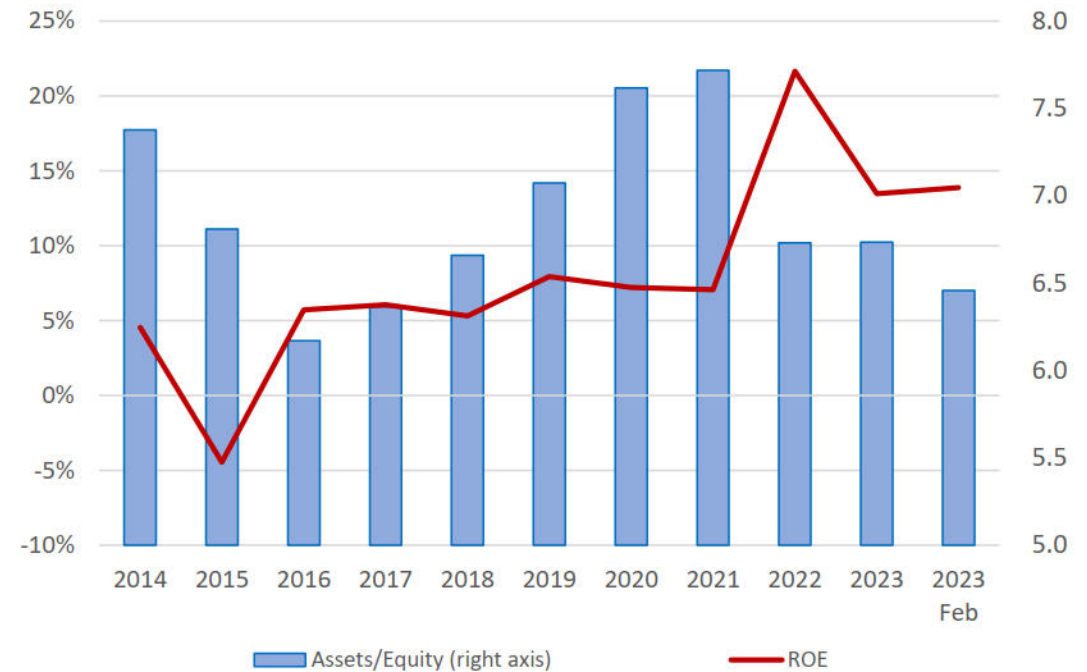
# Capital surplus has declined partly due to increase of capital conservation buffer

Capital adequacy ratio breakdown



Source: CBA

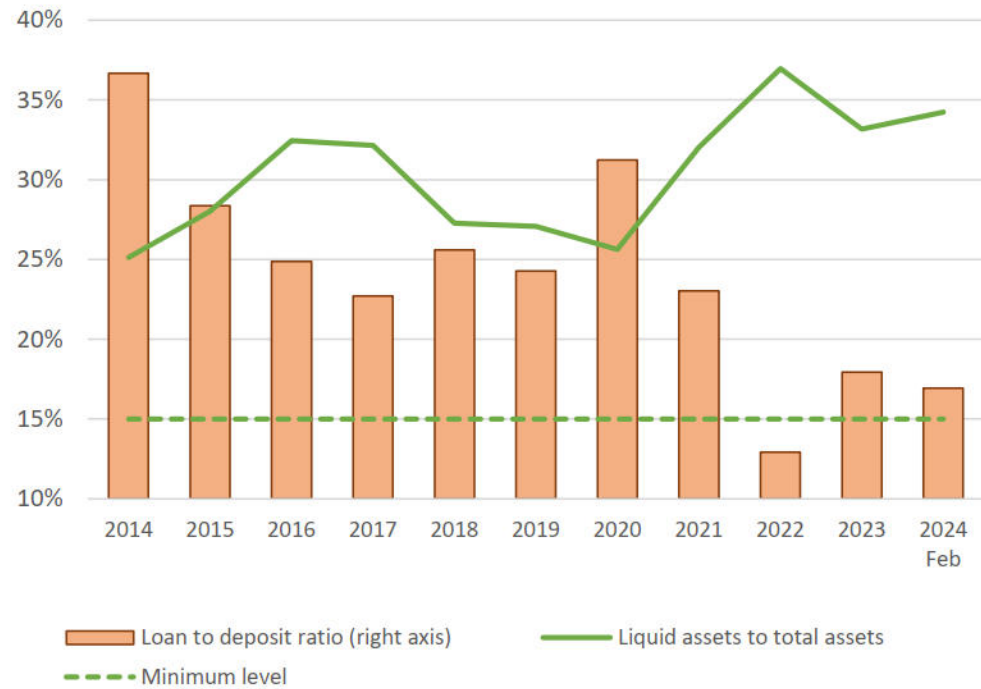
Return on Equity and leverage



Source: CBA

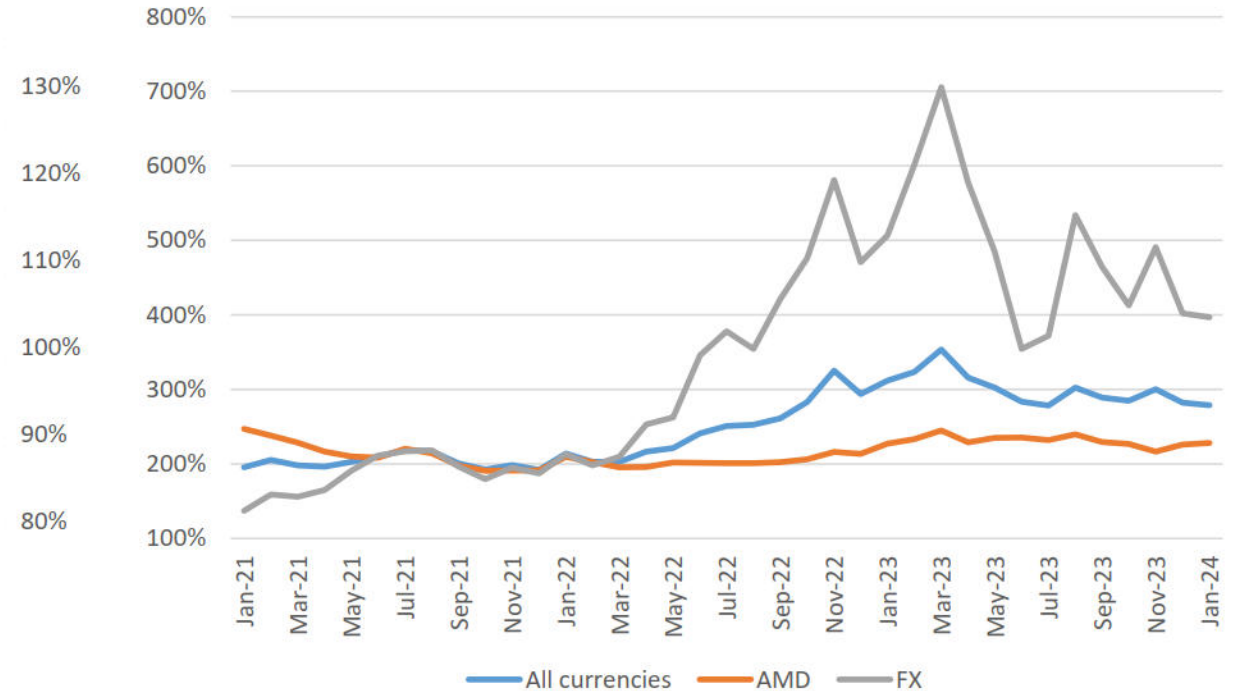
# Liquidity is above the minimum requirement with a solid margin

Liquid assets to total assets ratio and loans to deposits ratio



Source: CBA

Liquidity coverage ratio



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%.**