



CENTRAL BANK OF THE REPUBLIC OF ARMENIA

MAIN FINANCIAL STABILITY INDICATORS

4-th quarter of 2023

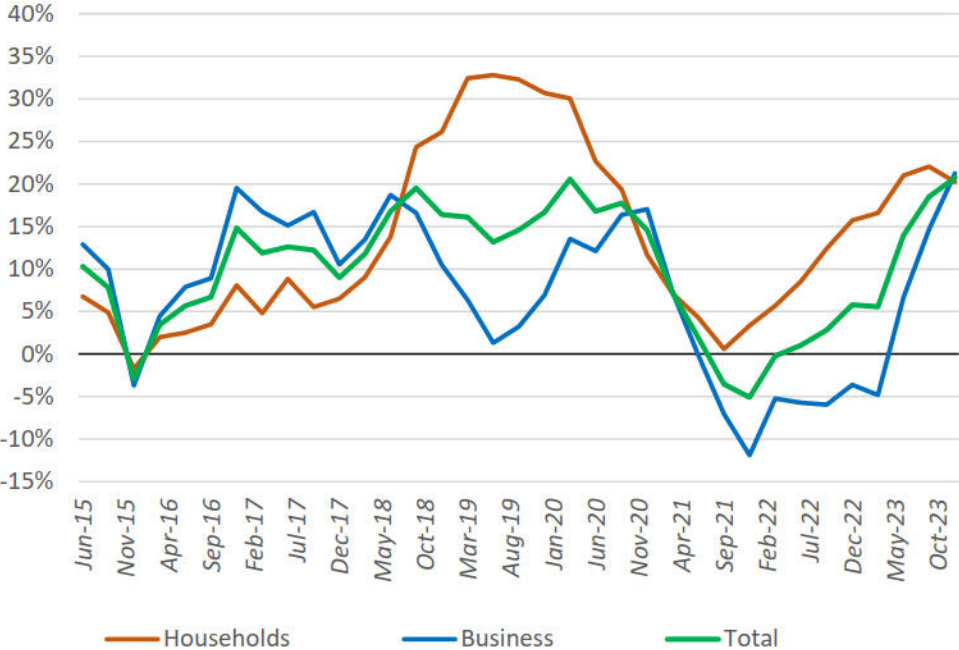
Main indicators of the banking system*

	The indicator value as of November 2023	12-month change
ASSETS	8.9 trillion AMD	11.8%
Loan portfolio	4.7 trillion AMD	22.9%
NPL ratio	2.8%	-0.4 p.p.
LIABILITIES	7.6 trillion AMD	11.5%
Deposits	5.1 trillion AMD	12.8%
Equity	1.4 trillion AMD	13.9%
Capital adequacy ratio	20.1%	+0.4 p.p.
Highly liquid assets/Total assets	34%	-3.9 p.p.
Return on equity	16.8%	-5.6 p.p.
Return on assets	2.6%	-0.7 p.p.

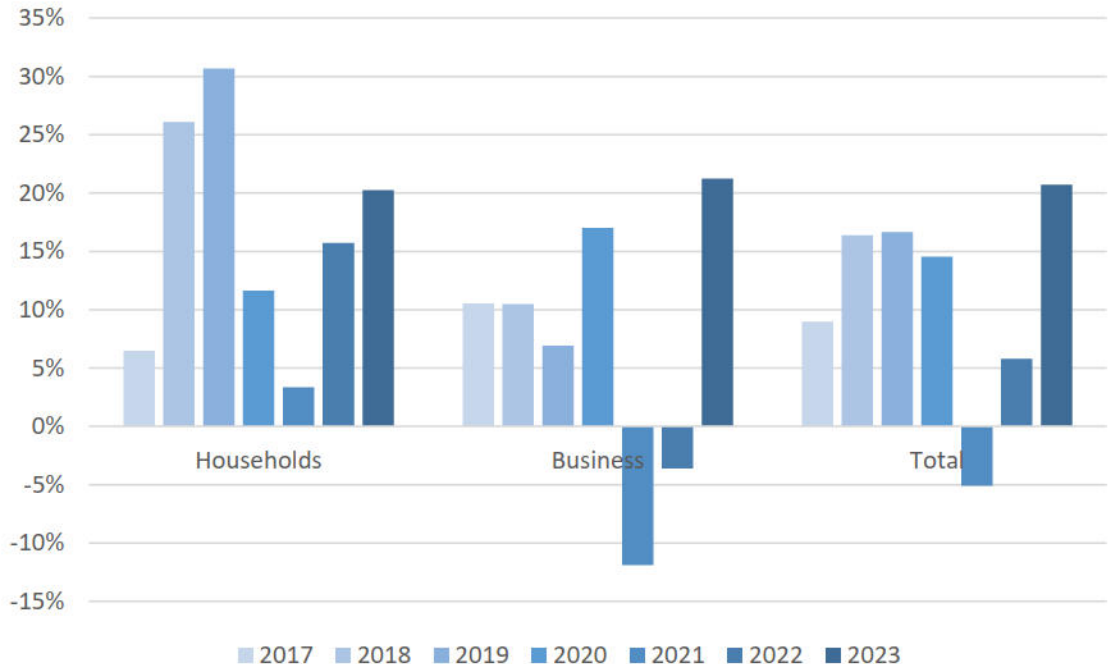
* The information here is as of November 2023. Indicators for loan flows are as of 24 December. Credit to GDP ratio and the Financial Cycle Index are represented with the estimates for December 2023 and with actual data coming, they may change:

Growth of credit was registered in all sectors

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

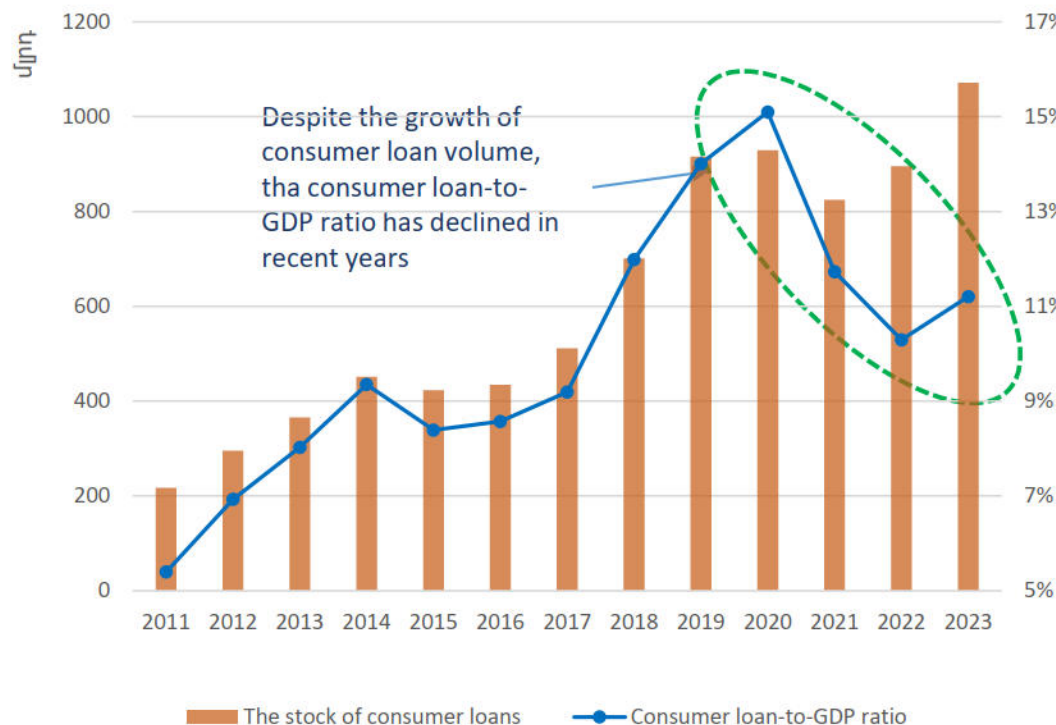


Average growth rate for the last 3 years was around 5% (adjusted for FX effects – 11%)

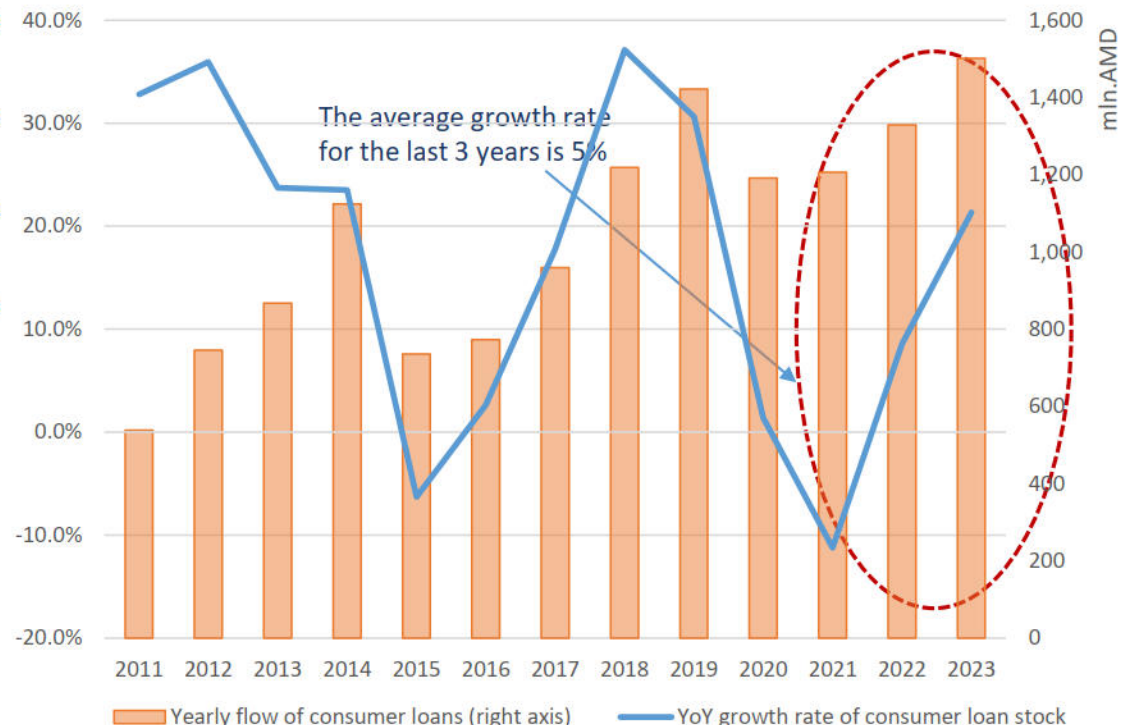


The yearly growth rate of consumer loans has been high compared to previous years

The stock of consumer loans and the consumer loan-to-GDP ratio

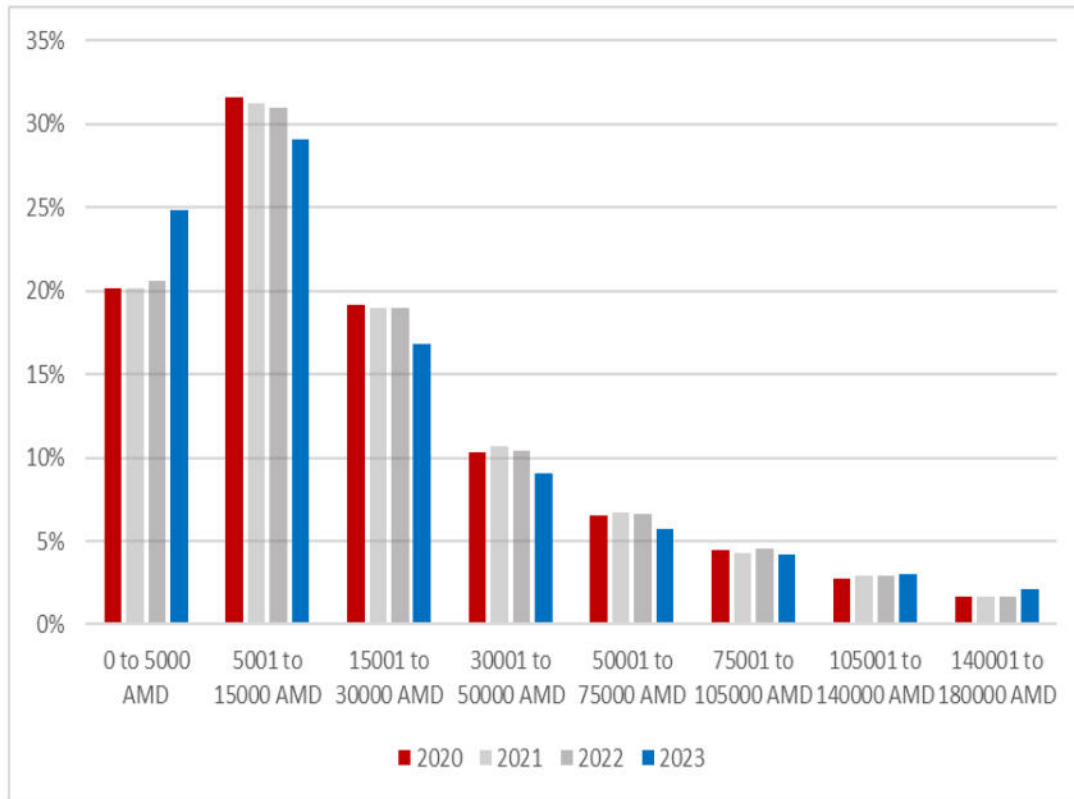


Yearly flow of consumer loans and YoY. growth rate of the stock

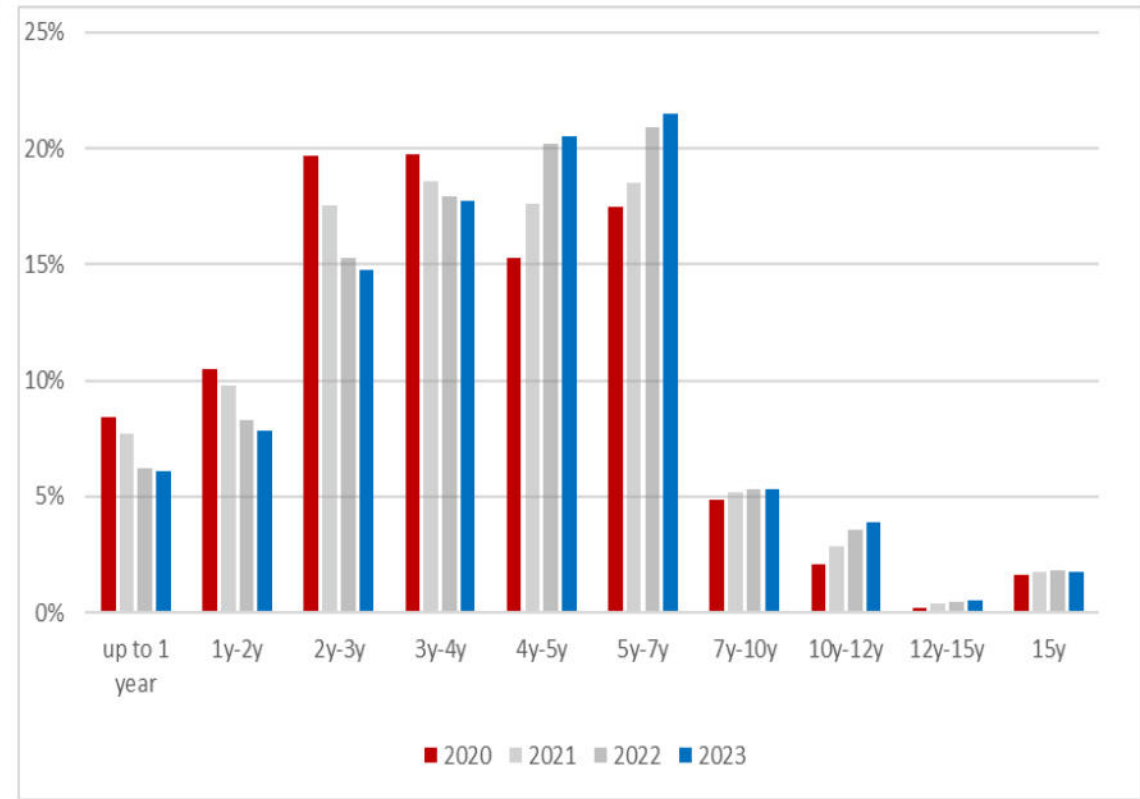


The debt services for consumer loans are broadly unchanged. Some rise in maturities has been registered

The distribution of debt services for consumer loans



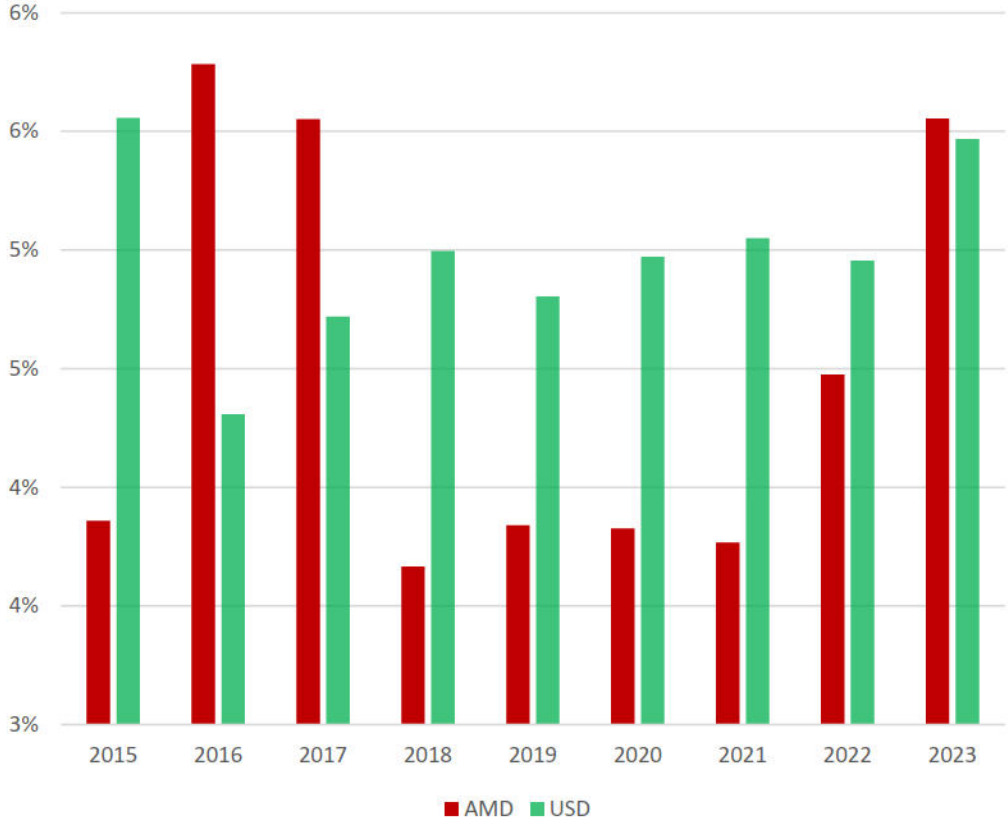
The distribution of maturities of consumer loans*



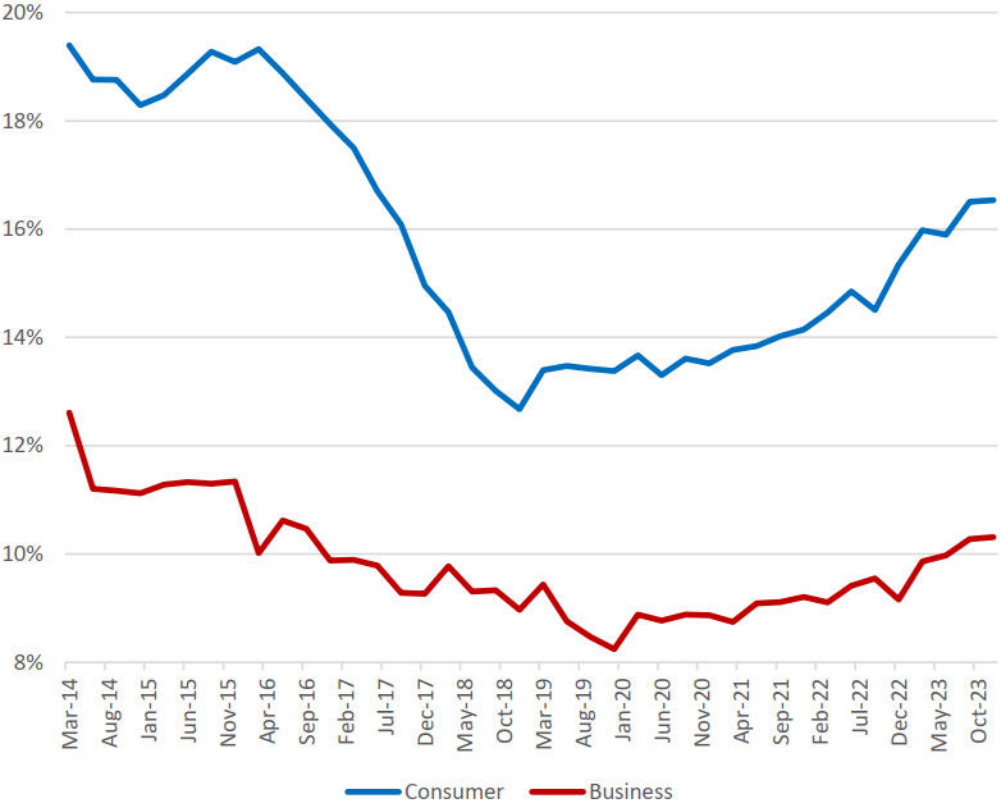
* Calculated for the stock of loans

The interest rate spread has risen *(the difference between loan and deposit interest rates)*

Interest rate spread by currency

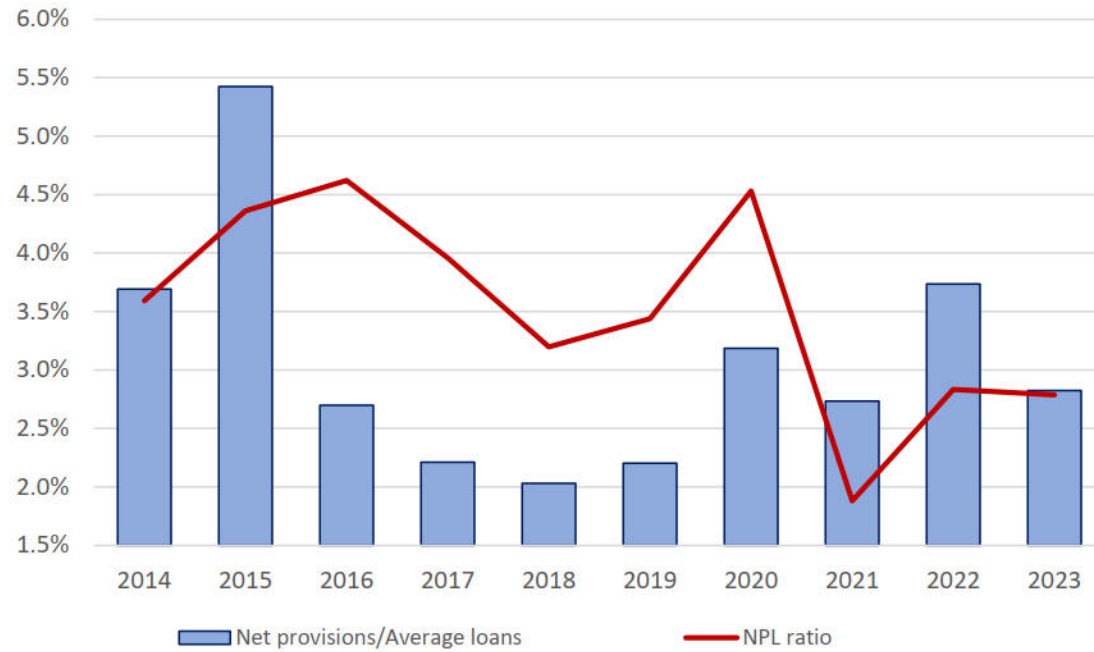


Interest rates of consumer and business loans

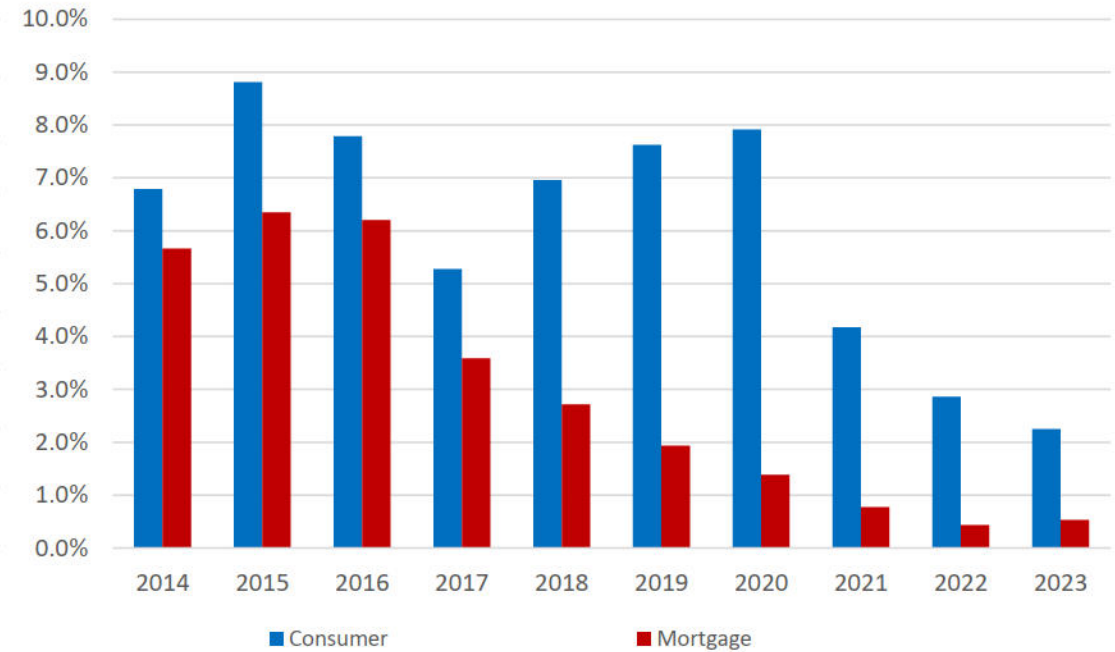


The NPL ratio is almost unchanged

NPL ratio and net provisions/loans ratio*



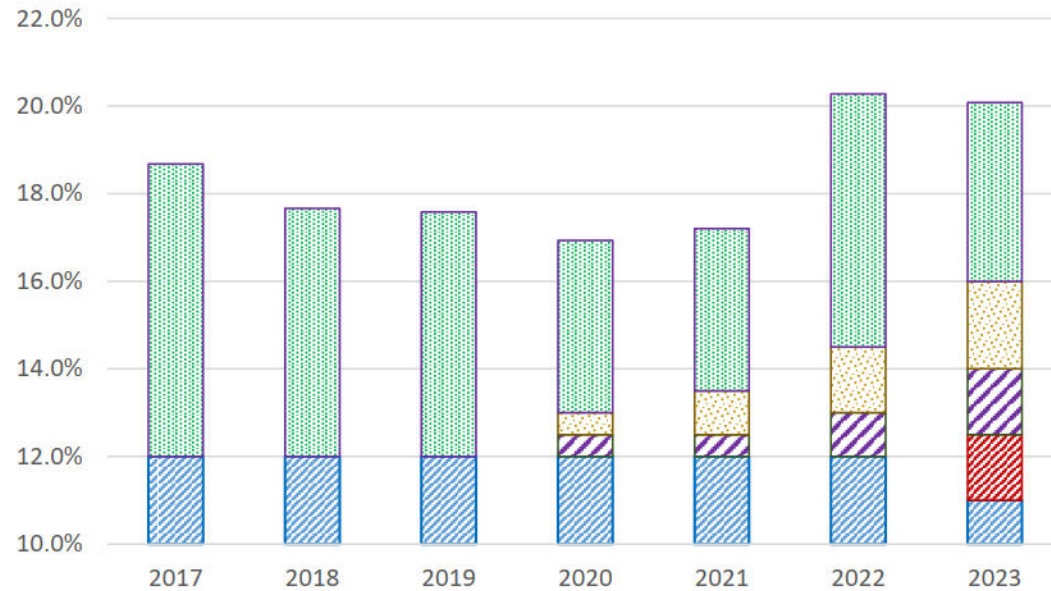
The NPL ratio by sectors*



* Without watched category

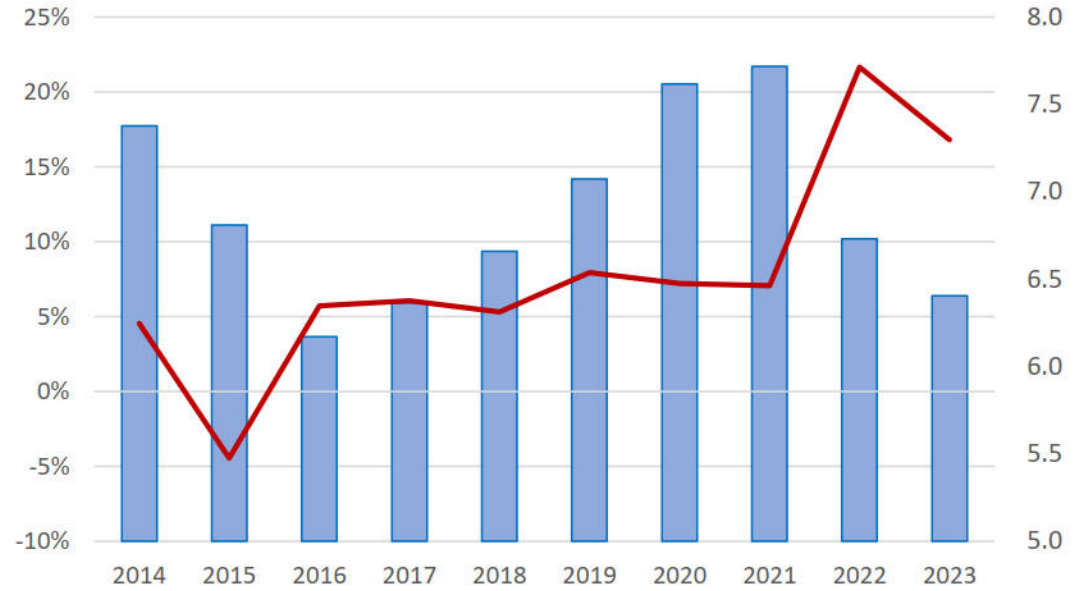
Risk absorption capacity remains high

Capital adequacy



- Minimum CAR requirement
- Capital surplus
- Capital conservation buffer
- SIFI buffer
- Countercyclical capital buffer

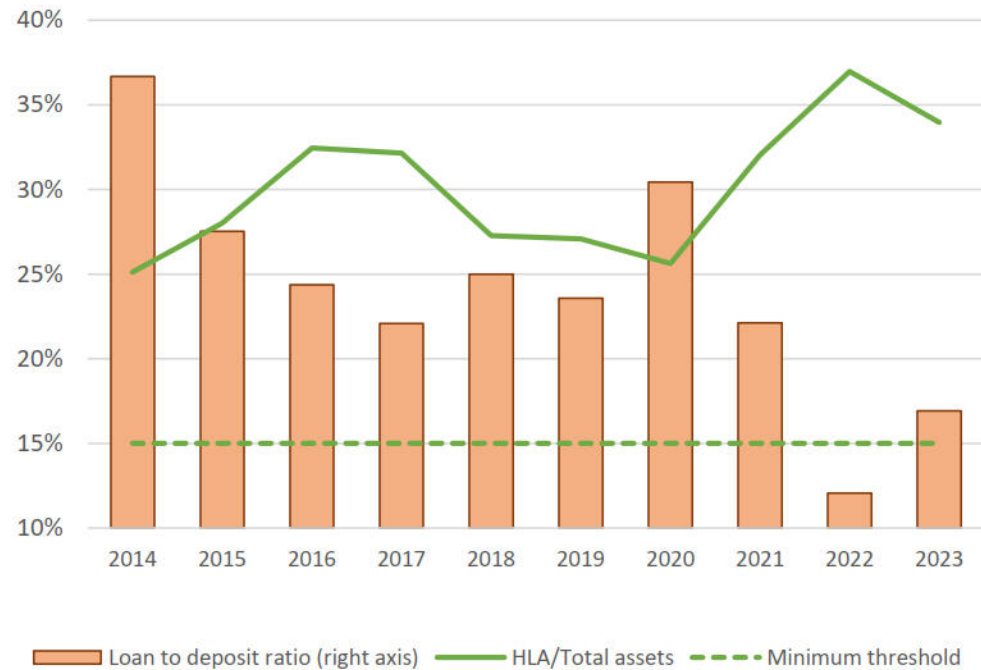
RoE and leverage



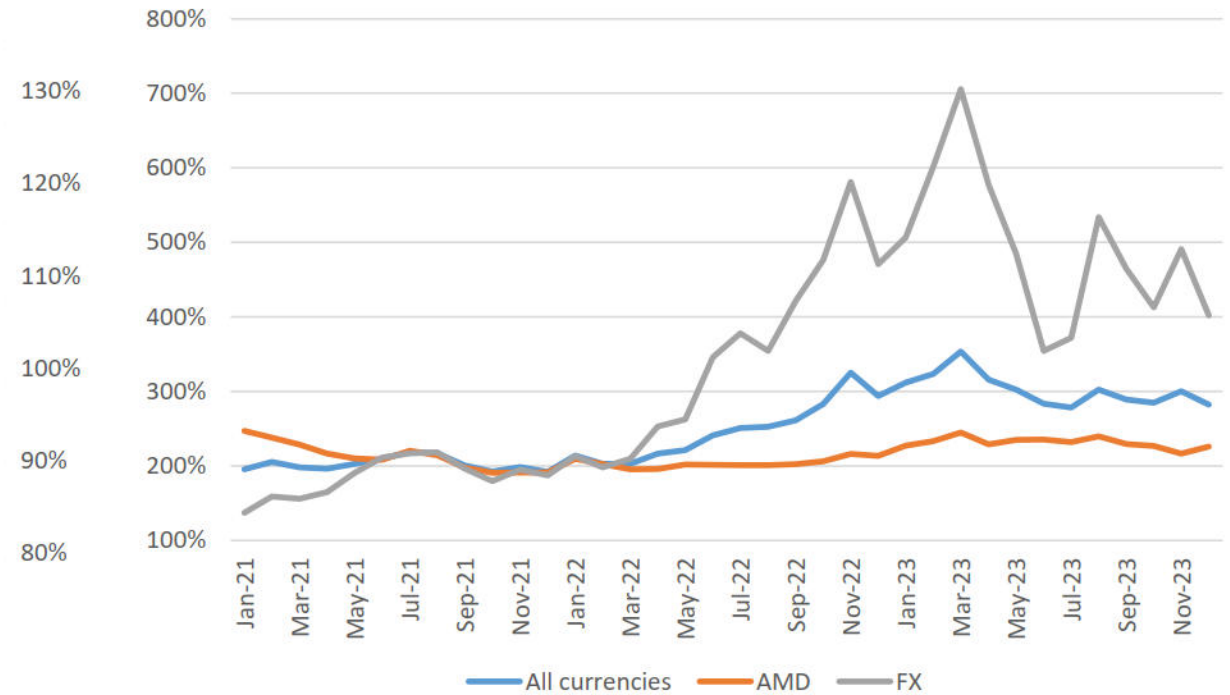
- Assets/Equity (right axis)
- ROE

Liquidity buffers remain well above the required minimum

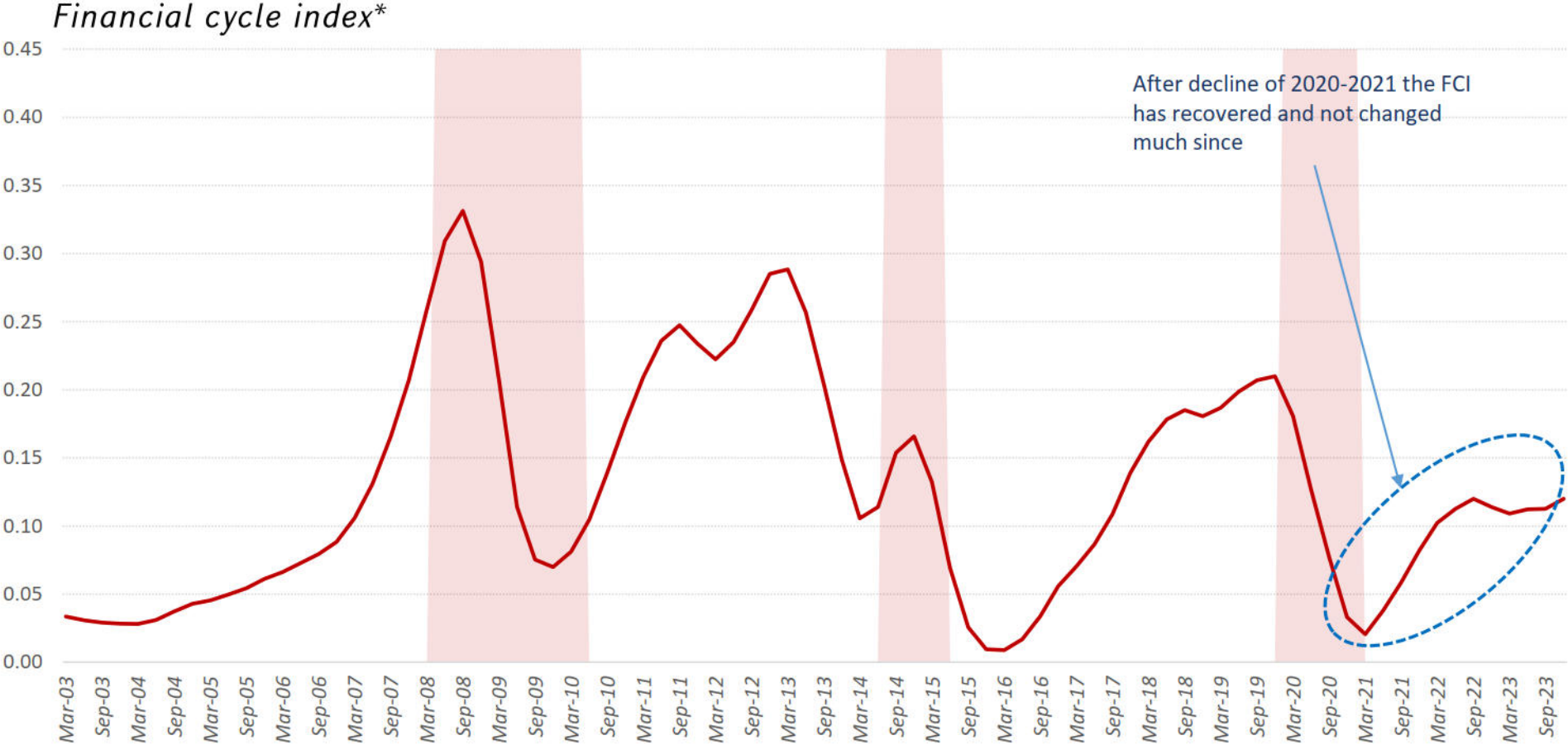
Banks' liquidity ratio and loan-to-deposit ratio



Liquidity coverage ratio by currencies



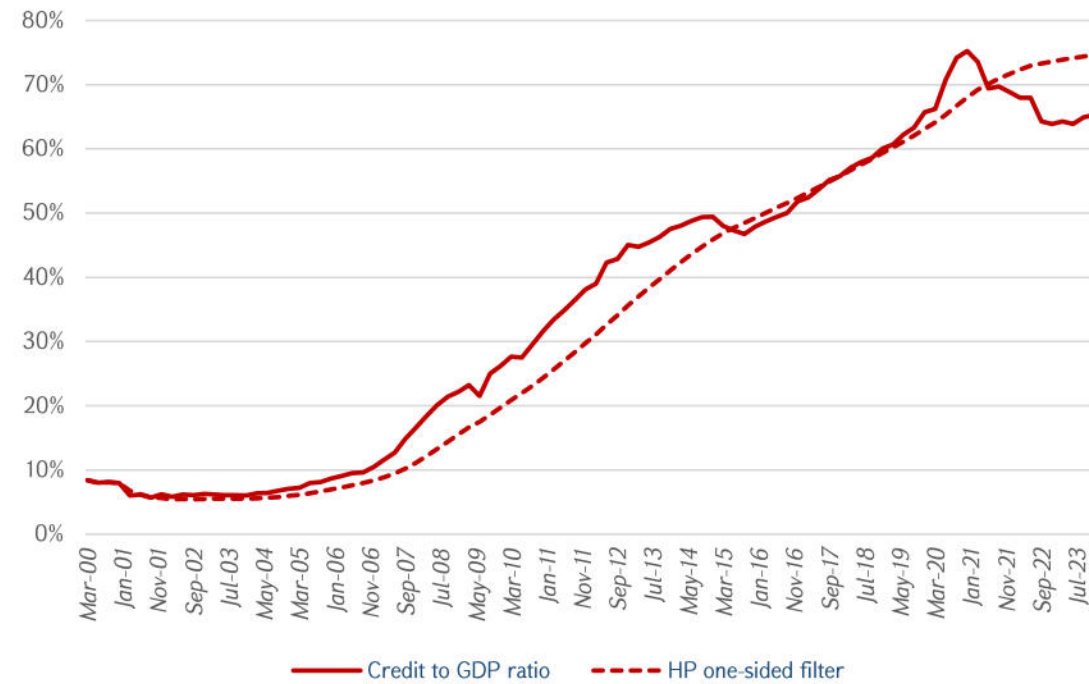
Financial cycle index is almost unchanged



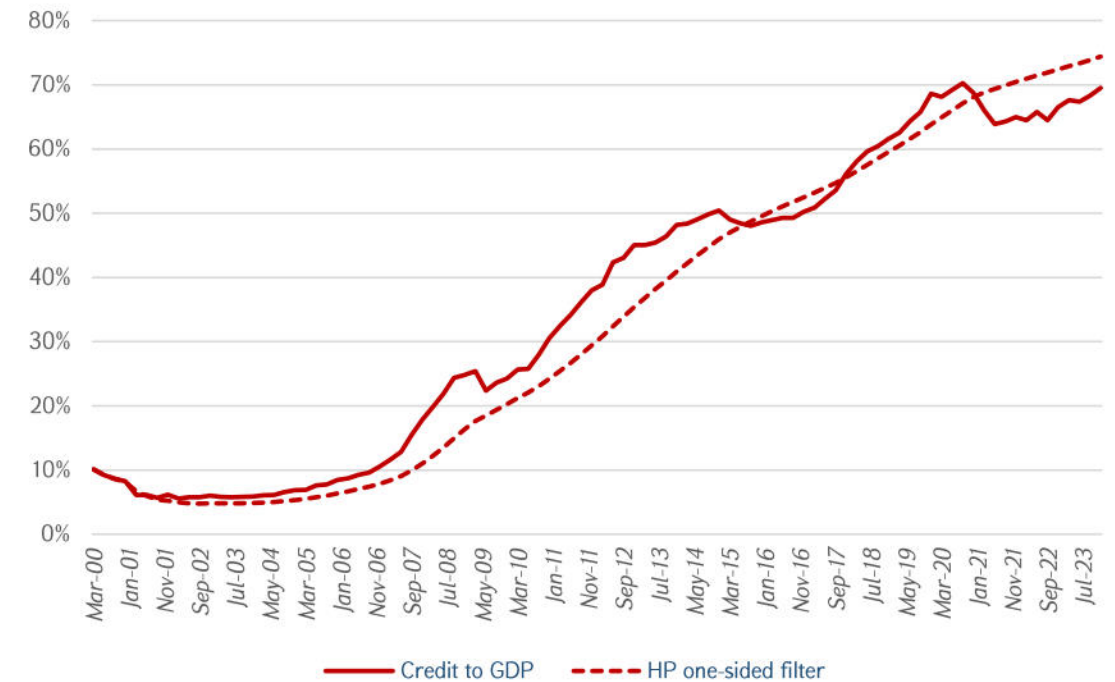
*The 4-th quarter value of this indicator is based on the estimates of its subindexes (GDP, loans etc.) and with actual data availability they may change

The gap of credit to GDP ratio is still negative

Credit to GDP ratio and its long term trend



Credit to smoothed GDP ratio and its long term trend*



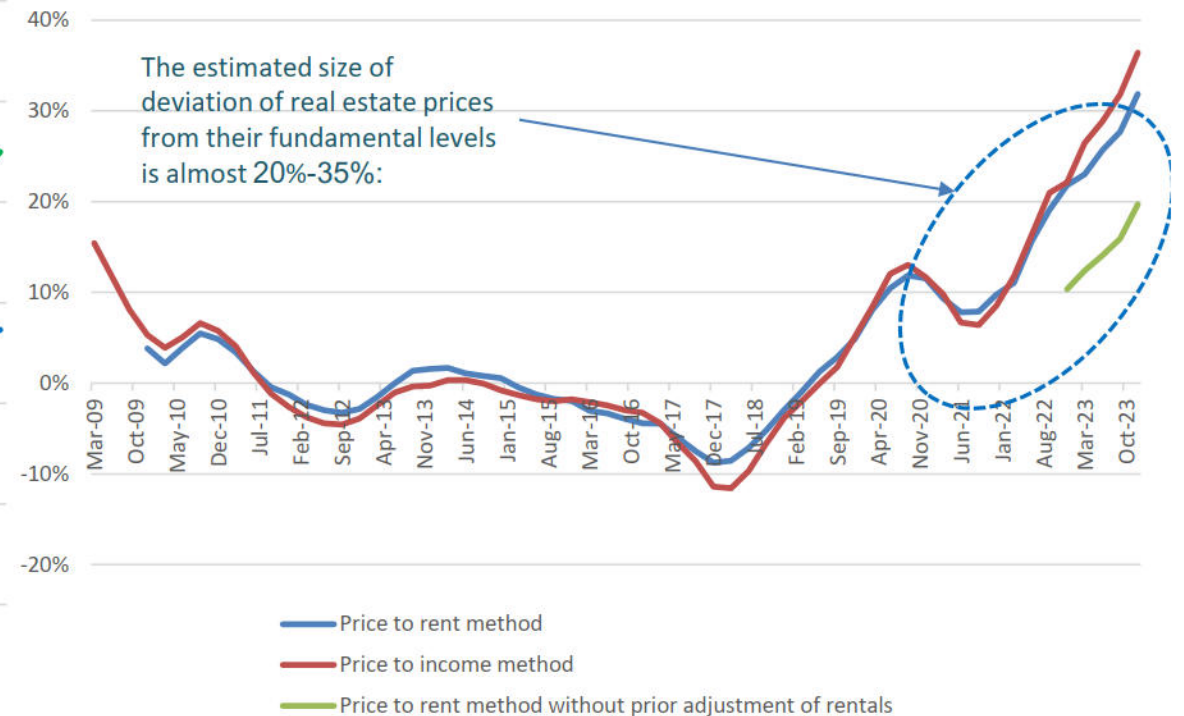
* The indicator was calculated on the base of smoothed GDP series

Real estate prices have grown. There are possible overvaluation risks

The growth rate of average real estate price*



The estimated size of deviation of real estate prices from their fundamental levels **



* For 1 sq. meter of multi-flat apartment building in Yerevan

Source: Real estate cadastre RA, CB calculations

**It is worth to mention, that this estimate is only a warning sign for possible overvaluation risks in real estate market and should not be interpreted as a forecast of real estate prices

Taking into account that

- ✓ There are no obvious signs of risk build-up in the credit market;
- ✓ 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%.