

Annual report 2015

2016-03-31

Chairman's message

Dear reader,

In 2015 the Central Bank of the Republic of Armenia performed its duties in the face of various challenges coming from the global economy. The Bank managed to reduce inflation expectations, which was also fostered by the lack of inflationary pressures from outside world and fallen prices of agricultural products owing to good weather conditions. The 12 month inflation rate followed a downsloping path, which was more than expected, resulting in a 0.1% deflation indicator at the end of the year. During the year the refinancing rate was lowered by 1.75 pp, and monetary conditions eased by 1% at the end of the year made it possible to return to the normal situation that existed before November of 2014.

The external shocks of 2015 were a challenge the domestic financial system, too. Although there was some deterioration in the loan portfolio during the year, developments to threaten the financial stability were not observed. At the same time, financial stability indicators, including those of capital adequacy and liquidity, posted growth. For the first time in Armenia in 2015 we saw assetbacked bonds issued in the framework of the capital development program of the US Agency for International Development. During the year the Central Bank sustained its multilateral cooperation with partner financial institutions. As part of lending projects in a number of target areas of the economy, the Bank continued liaisons with the World Bank and German KfW Bank, the European Investment Bank, the Asian Development Bank and other international organizations. The SME lending program in agriculture, agriproduct processing and tourism, funded by the European Investment Bank, started in 2015. Inking the "Bilateral Currency Swap Agreement between the Central Bank of Armenia and People's Bank of China" was an important event, as well. Actively involved in programs for financial education of consumers, the Bank spent further efforts to raise public awareness of financial services and products, placing special focus on the population in rural areas.

In the period under review, the Bank carried out its activities consistent with the values and strategy it adopted, and I would like to note that all that we achieved during the year is the result of teamwork at the Bank. The complete picture of the activities of the Bank

for 2015 is summarized in this annual report which we bring to your attention.

[Annual report 2015 \(1st part\)](#)

[Annual report 2015 \(2nd part\)](#)

[Annual report 2015 \(3rd part\)](#)

Chairman
ARTHUR JAVADYAN