

Annual report 2019

2020-04-28

Governor's address

Dear reader,

This is the annual report of the Central Bank of the Republic of Armenia for 2019. In 2019 the Central Bank ensured the main goals of price and financial stability, further contributing to the macroeconomic stability. Maintaining price stability strengthened, during the year. Inflation remained low, at 0.7 percent at the end of the year. Low inflation has contributed to anchoring of inflation expectations and more confidence in the national currency, and steady decline in the level of dollarization points to that. In 2019, in order to fulfil the inflation target in the medium term, the Central Bank has twice cut the policy rate, keeping the monetary stance expansionary.

This has transmitted to other interest rates of the financial market, and no risks to financial stability have emerged thanks to the effective macroprudential policy. Moreover, the stability of the financial system continued strengthening. The participants of the system are sufficiently liquid, capitalized and able to meet the economy's demand. The financial system participants summed up the year with positive results and growth of the main indicators. The financial intermediation in the economy kept on expanding. The financial system assets-to-GDP ratio has increased to 106.5%. The accessibility to financial services continued growing over the year. Further involved in household financial education programs, the Central Bank continued initiating events aimed at increasing public awareness.

The Central Bank carried out its activities in line with the adopted values and strategy. All the achievements are the result of the joint efforts by the Central Bank staff.

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Governor
ARTHUR JAVADYAN