

Annual report 2022

2023-04-18

Governor's message

Dear reader,

We are pleased to share our Annual Report which highlights the challenges, approaches to overcoming them, and the achievements we had in 2022.

The year 2022 was stormy and full of challenges, ones for the regional economy, affecting Armenia's economy. Nevertheless, the results achieved show that the year was very positive for the development of our economy.

Inflation in global commodity markets and sharp increases in inflation in developed countries created new inflationary shocks at the beginning of 2022. However, the Central Bank managed to maintain inflationary developments within a controllable range, ensuring price stability in the country. In 2022, the Central Bank also initiated a review of the monetary policy decision-making system, adopting a risk management approach. We are proud to be the first central bank to implement this approach on an institutional basis. This makes it possible to more effectively ensure price stability, as well as to significantly improve our communications with the public.

There were other challenges related to financial stability in 2022. From early in the year, the sharp increase in foreign capital inflows and the multifold increases in demand from non-residents for financial services placed the financial system in a difficult dilemma of having to meet growing demand while complying with international standards. The Central Bank's cautious policy made it possible to manage the risks of the financial system without shocks and even to establish added safety buffers to overcome possible future shocks.

Considering importance of giving new impetus to the Armenian capital market, we partnered with the Warsaw Stock Exchange, which eventually acquired a controlling stake in the Armenia Securities Exchange. We expect that the entry of the Warsaw Stock Exchange into the local capital market will form a new culture, create new opportunities, and stimulate the development of the Armenian capital market and its infrastructure. We believe this is a very important step in the development of the Armenian capital market.

We have expended great efforts during the year to increase the convenience of cashless payments. As a result of adopting the Law on Cashless Transactions and our hard work of expanding the infrastructure for cashless payments, we have ensured the availability of convenient cashless payments for our citizens in all consumer infrastructures. Fast, secure, and convenient cashless payments is an important public good for our society, and we will be consistent in ensuring this process in the best possible way.

In the area of corporate social responsibility, we continued our initiatives in Dilijan, and Armenia now heads the Fab Academy regional training center. The center will provide an opportunity to apply digital fabrication tools in all fields of knowledge through the Fab Academy. We believe in the creation of this safe space for people of all ages and backgrounds to gather, learn, share knowledge, and create, which will assist in solving local problems and transforming the Dilijan community.

We owe our successes and achievements to our employees who have worked hard to realize our vision. In 2022, The Young Professionals program was launched to replenish our human capital and provide students with the opportunity to work at the Central Bank. The program has resulted in the recruitment of a large number of young people who will be able to develop and apply their views, knowledge, and skills in their daily work to their own advantage and for the benefit of the Republic of Armenia.

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