

CBA Annual Report (2025)

2026-04-30

Dear Reader,

We are pleased to present a report of the activities of the Central Bank in 2025. The report summarizes the Central Bank's progress within the framework of implementing the 2025-2027 strategy, touches upon other areas of the Central Bank's activities, and includes the financial results of our work in 2025. The report covers only initiatives that were completed in 2025. We are working on many other initiatives that will come to fruition in the future, and I hope we will have the opportunity to report on the successes of those initiatives at a later time.

During 2025, the Central Bank confidently fulfilled the responsibilities assigned to it by the Constitution of the Republic of Armenia.

2025 was the first year in which the inflation target was set at 3 percent. During this period, inflation remained stable and low, reaching 3.3 percent at year-end. At the same time, economic growth accelerated during the year, reaching 7.2%. In this context, the Central Bank continued to reduce the policy rate and pursued a consistent monetary policy aimed at ensuring price stability.

Our financial system has continued to develop at a rapid pace, while maintaining all the necessary conditions for stability and prudent risk management. The banking system has been characterized by high levels of capital and liquidity, as well as a significant ability to withstand risks, positively contributing to the overall macroeconomic environment. In 2025, we continued the process of building up countercyclical capital buffers for banks, increasing the rate by 0.25 percentage points and setting it at 1.75%, which will result in the accumulation of approximately 174 billion drams of additional capital.

The Central Bank continued to be guided by international best regulatory standards and risk-based supervisory approaches. Moreover, when developing our risk regulation initiatives, the Central Bank places particular emphasis on ensuring that adopted solutions do not restrict innovation or the natural development of the financial system. In supervising financial institutions, we have continued to develop risk-based supervisory processes, publishing for the first time supervisory priorities for commercial banks. 2025 was also marked by the expansion of the scope of the Central Bank's responsibilities by the National Assembly, with the addition of regulation of the crypto-asset market to the Bank's responsibilities. This includes the protection of investor interests in this field, as

well as ensuring the conditions necessary for the normal functioning and stable development of the market. Under the adopted legislative package, the Central Bank has already begun the process of developing and implementing comprehensive regulations aimed at achieving these objectives.

Over the past year, we also concluded our three-year internal transformation program, as a result of which we can state that significant progress has been achieved across all dimensions of the Central Bank's organizational culture. According to labor market surveys, the Central Bank is one of the most desirable employers in Armenia, and hundreds of students from leading universities around the world seek to complete their academic internships at the Central Bank of Armenia. This being said, we do not intend to limit ourselves to what has already been achieved and will continue to improve the Bank's operations in order to best serve our society.

I would also like to note that the investments made in our research activities in recent years have already begun to yield visible and significant results. Central Bank research is now being published in leading international economic journals, and cooperation with advanced academic institutions has expanded significantly. Within this cooperation framework, a memorandum of understanding was signed with the J-PAL research center at the Massachusetts Institute of Technology, as a result of which the Central Bank, as part of its social responsibility, organized one of the best policy analysis courses for specialists from Armenian state institutions.

I would like to assure you that the Central Bank, remaining faithful to its mission and vision, will continue to be a forward-looking institution and ensure the achievement of all its objectives for the benefit of the well-being of the citizens of the Republic of Armenia.

Martin Galstyan
Governor of the Central Bank of Armenia

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