

MAIN FINANCIAL STABILITY INDICATORS AND RISKS

4th quarter of 2025

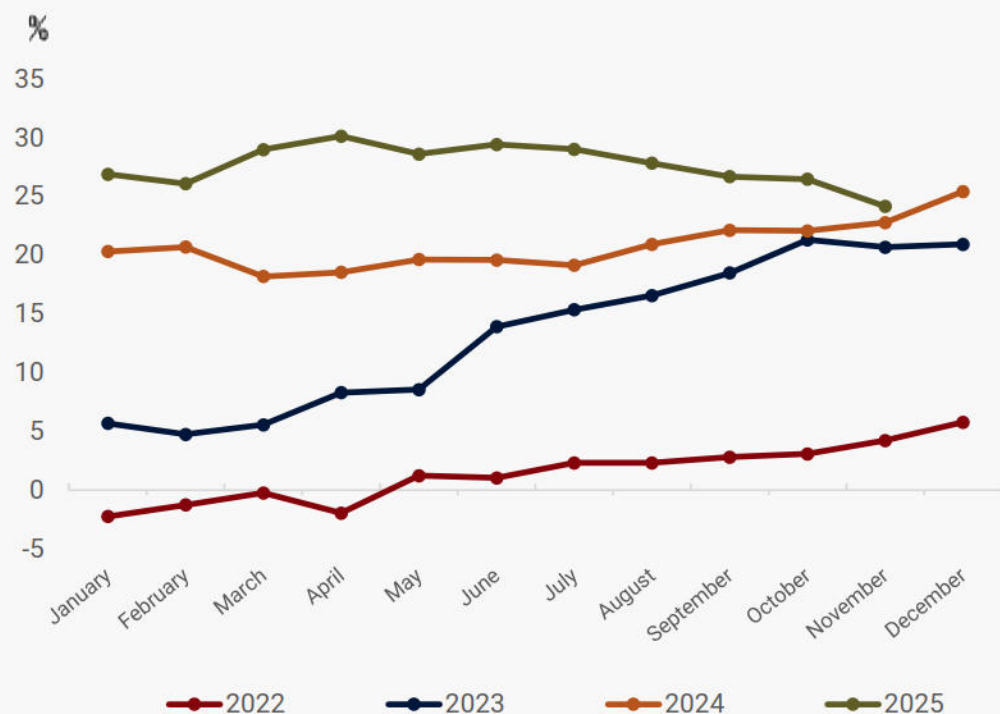
Main indicators of the banking system

	12-month change November 2025	12-month change
ASSETS	11.72 trillion AMD	15.37%
Loans	7.19 trillion AMD	24.19%
Non-performing loan ratio	1.3%	+0.08 p.p
LIABILITIES	9.77 trillion AMD	15.07%
Attracted deposits	6.25 trillion AMD	12.37%
EQUITY	1.94 trillion AMD	16.92%
Total Capital adequacy ratio	20.9%	+0.46 p.p
Total liquidity ratio	28.0%	-3.68 p.p
Return on Equity	21.2%	+3.02 p.p
Return on Assets	3.4%	+0.52 p.p

Developments in credit market

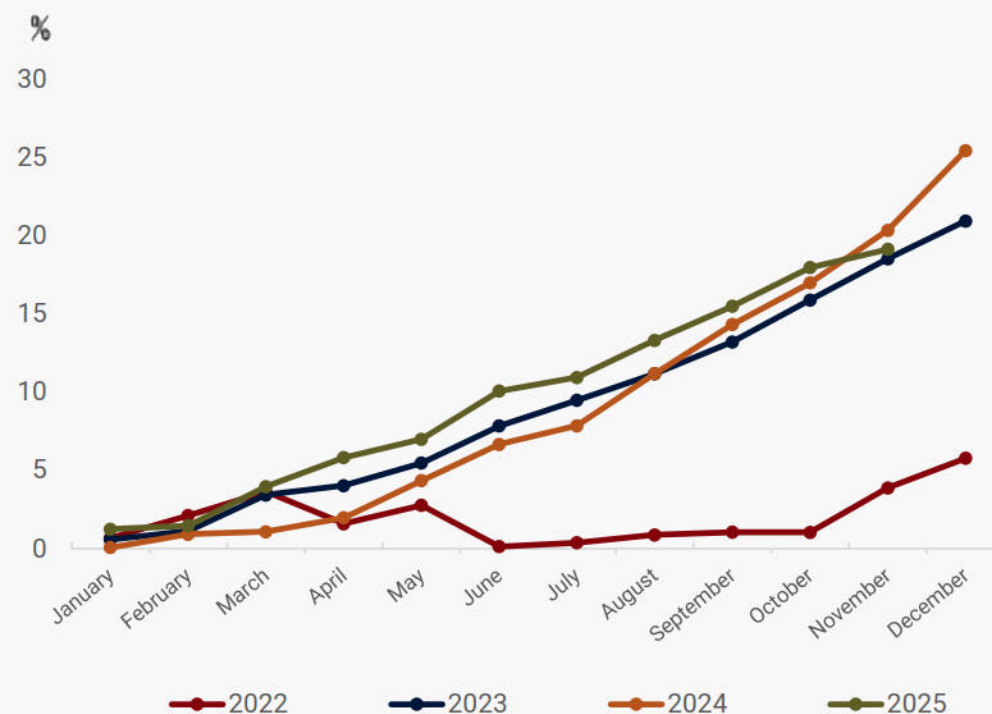
Overall credit growth rates have remained at a high level

12-month growth rate of total credit stock



Source: the CBA

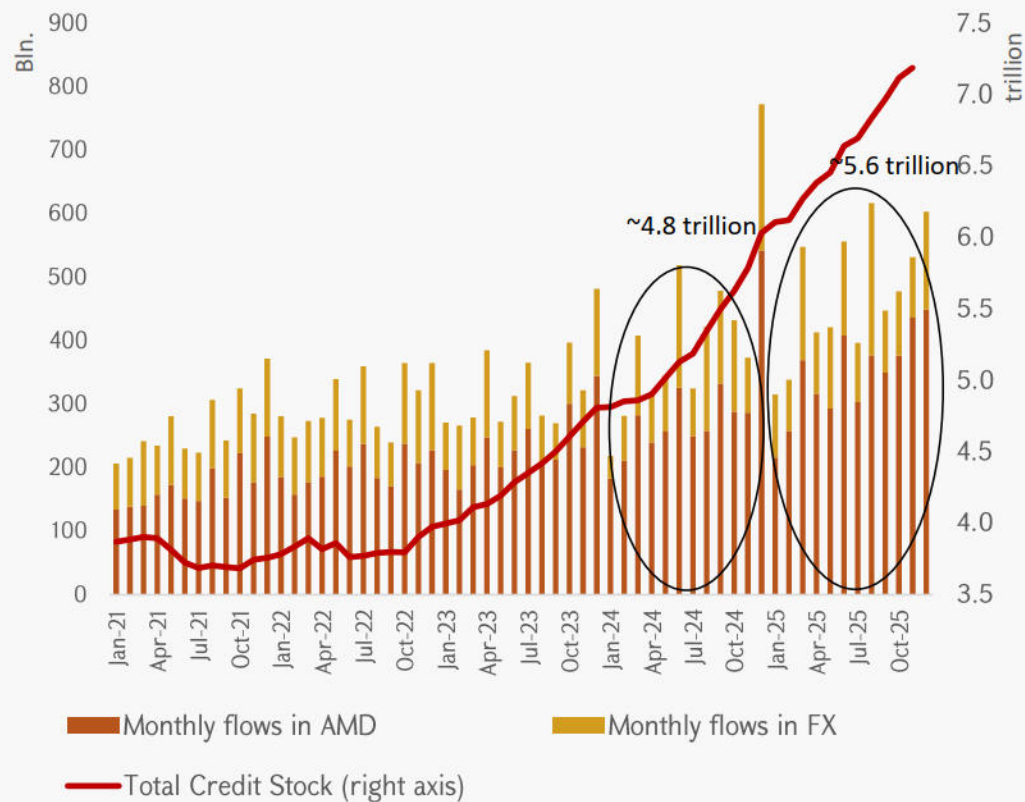
Growth rates of total credit stock compared to previous year end



Source: the CBA

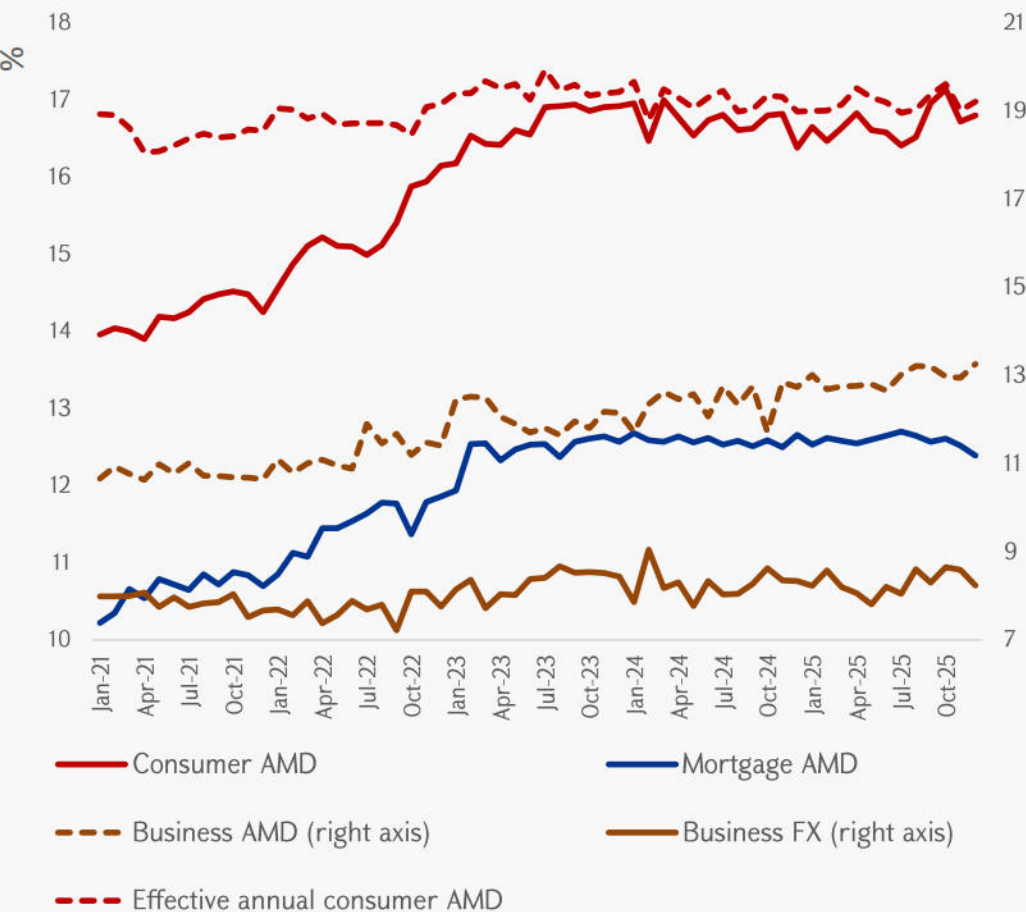
In 2025, the volume of loan disbursements exceeded the previous year's level

Total credit stock and flows



Source: the CBA

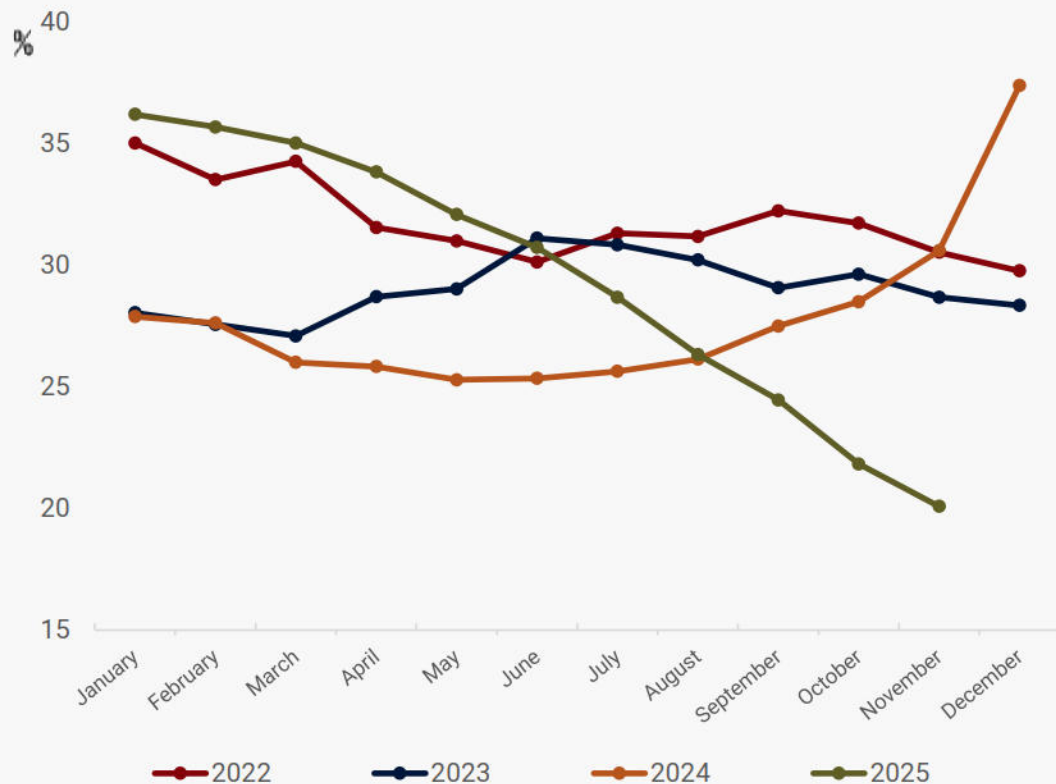
Dynamics of interest rates



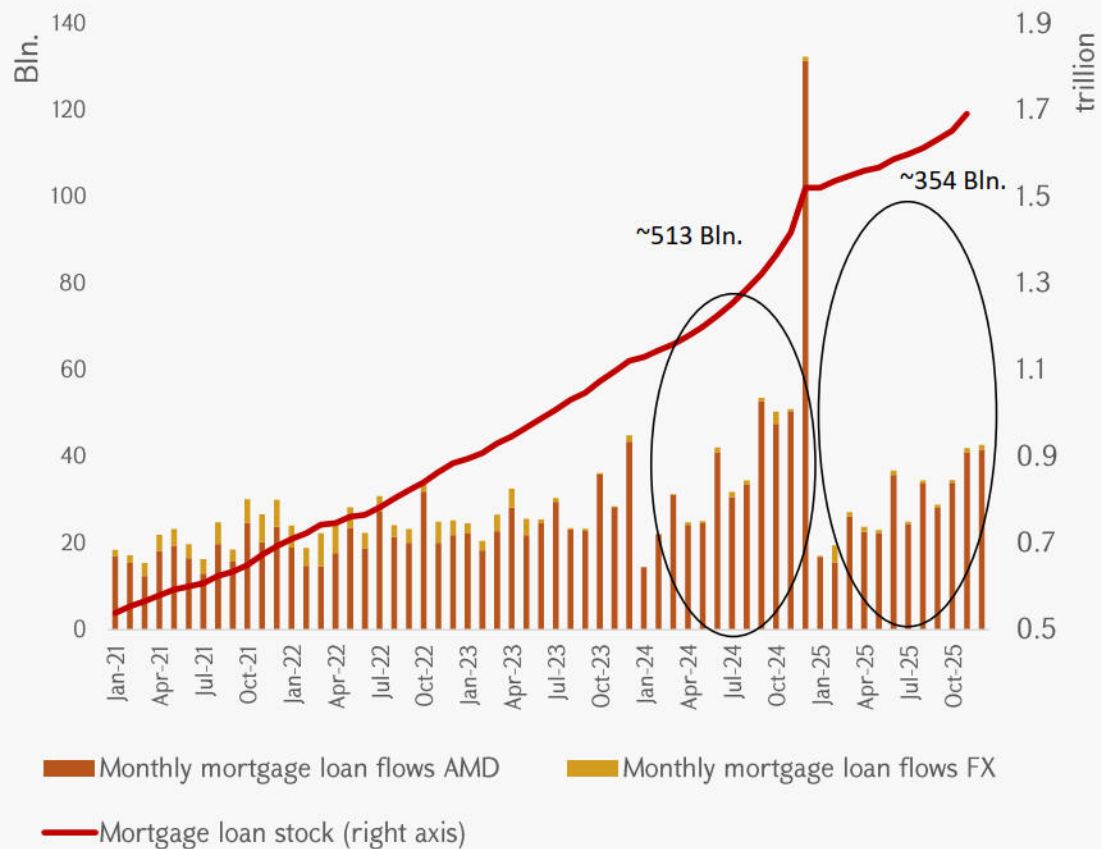
Source: the CBA

During 2025, the growth rate of mortgage lending declined. The volume of new disbursements (flows) also decreased

12-month growth rate of mortgage credit stock



Growth rates of mortgage credit stock compared to previous year end

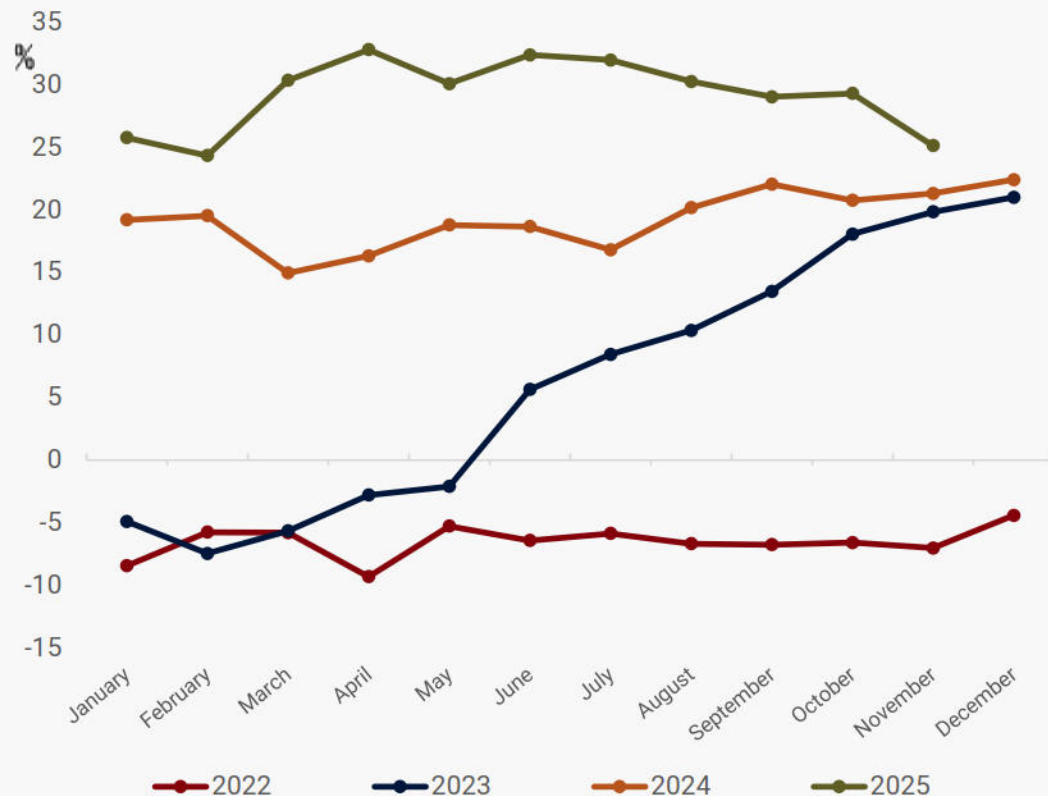


Source: the CBA

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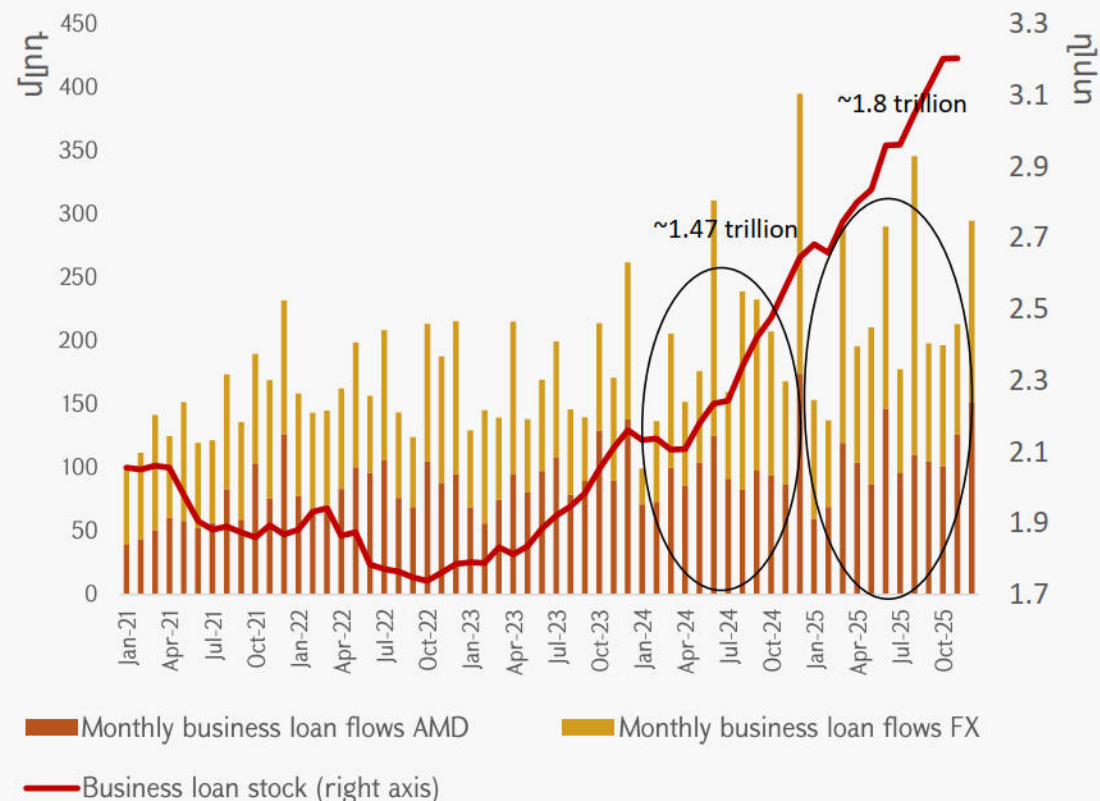
High growth rates were recorded in business lending

12-month growth rate of business loan stock



Source: the CBA

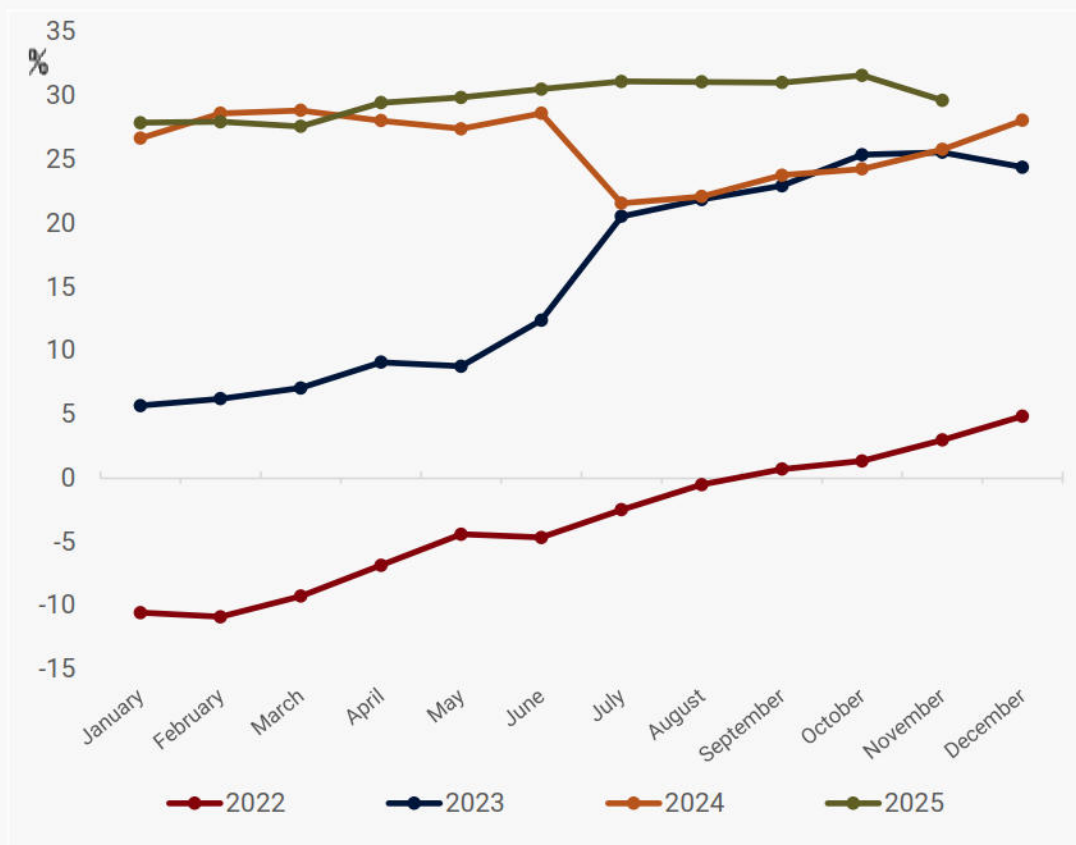
Stock and flow dynamics of business loans



Source: the CBA

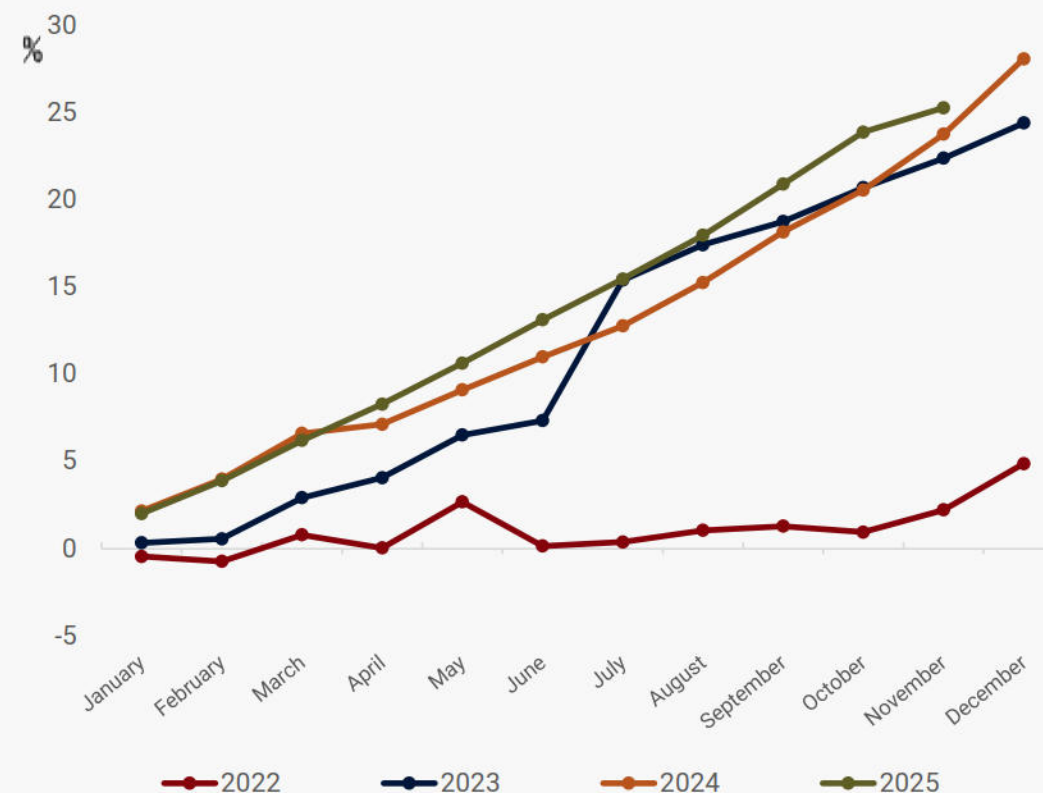
Growth rates of consumer lending remained at high levels

12-month growth rate of consumer credit stock



Source: the CBA

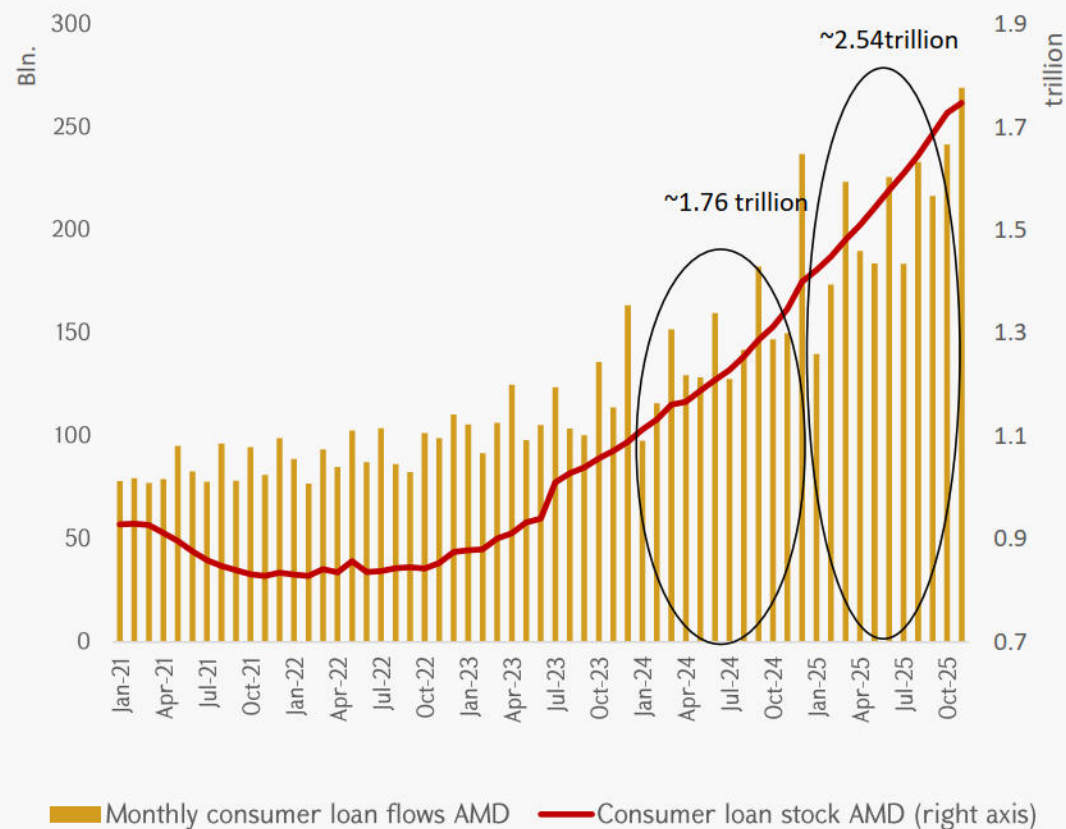
Growth rates of consumer credit stock compared to previous year end



Source: the CBA

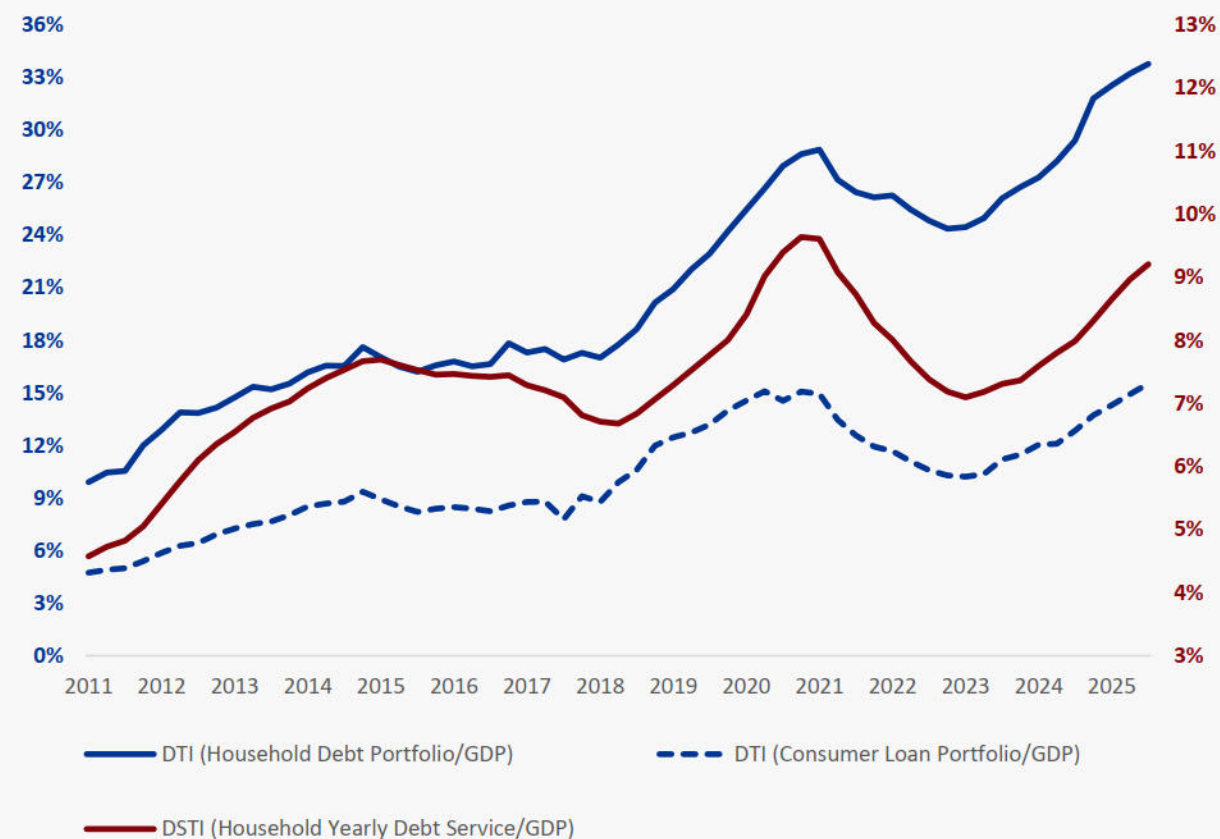
Household (HH) debt burden indicators increased, driven by the strong growth in household lending.

Stock and flow dynamics of consumer loans



Source: the CBA

Household DSTI and Household DTI

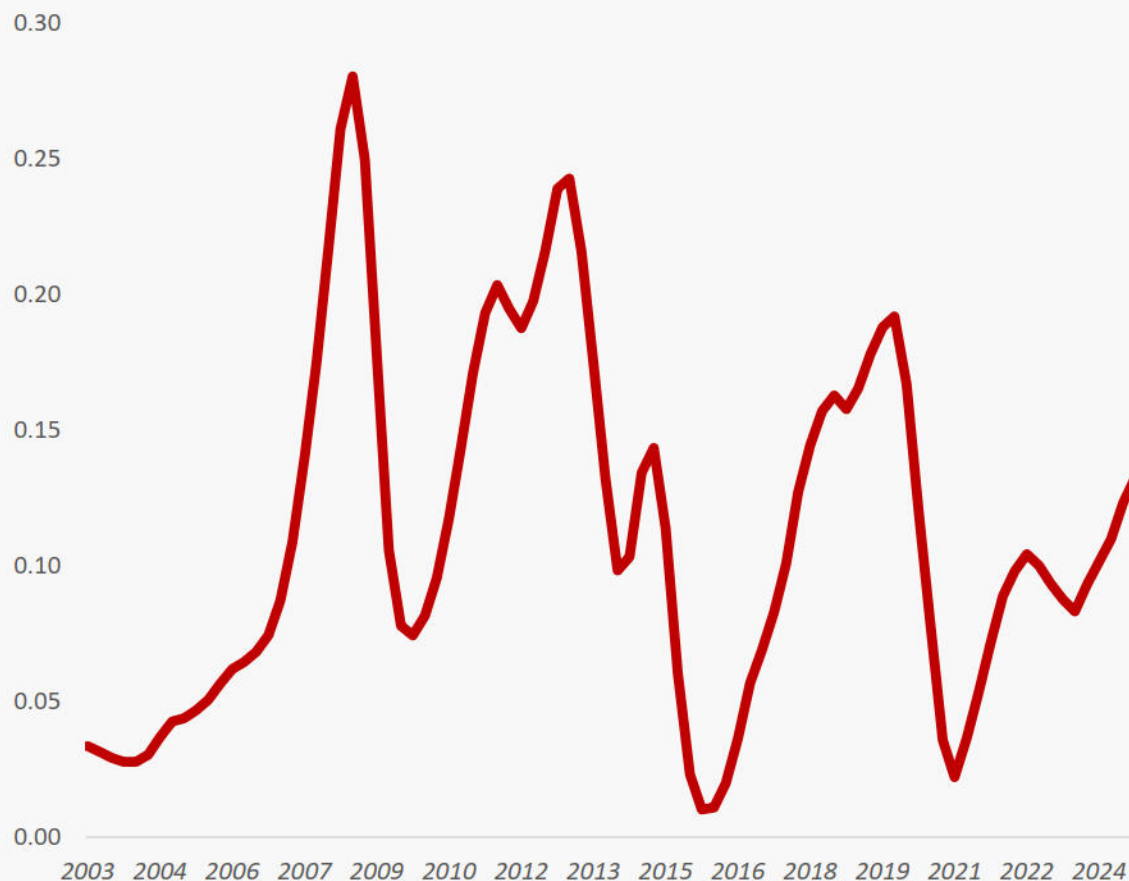


Source: the CBA

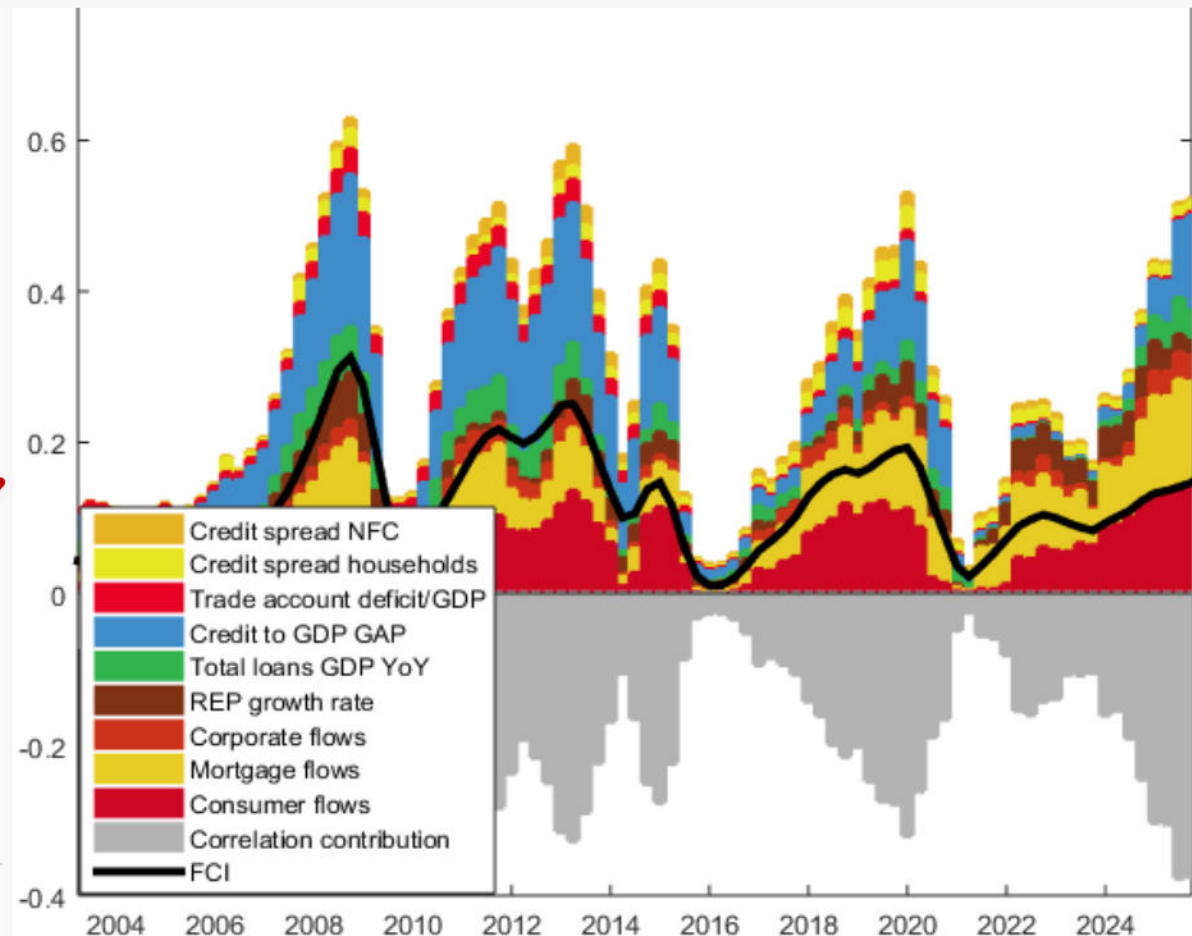
Financial Cycle Index and Credit-to-GDP Gap

The Financial Cycle Index increased, mainly due to the widening of the credit-to-GDP gap

The Financial Cycle Index

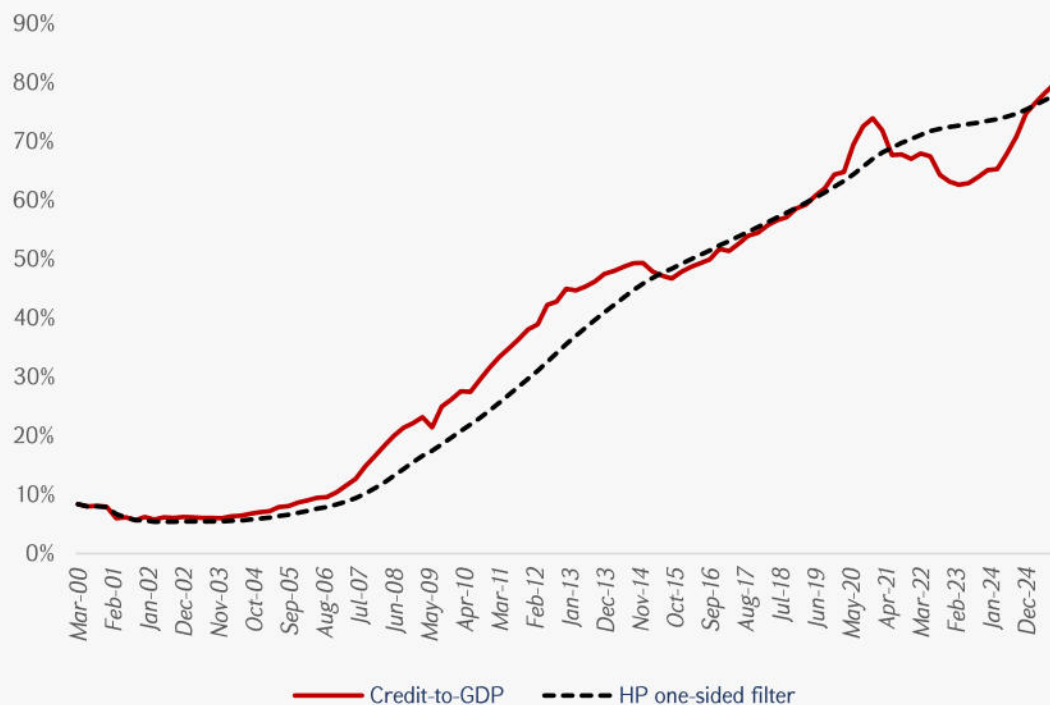


Contributions of the individual components of the Financial Cycle Index



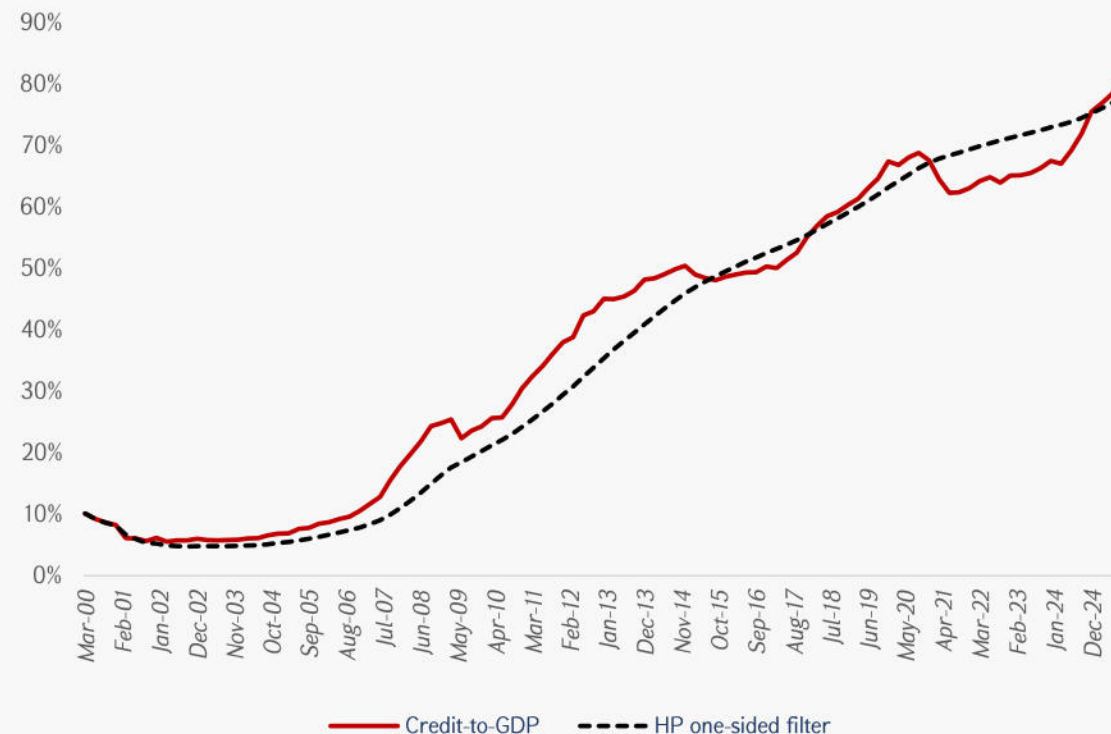
The credit-to-GDP gap increased, reaching 1.93 percentage points

The credit/GDP Ratio and its Long-Term Trend



Source: the CBA / Statistical Committee

*Credit/smoothed GDP ratio and its long-term trend**



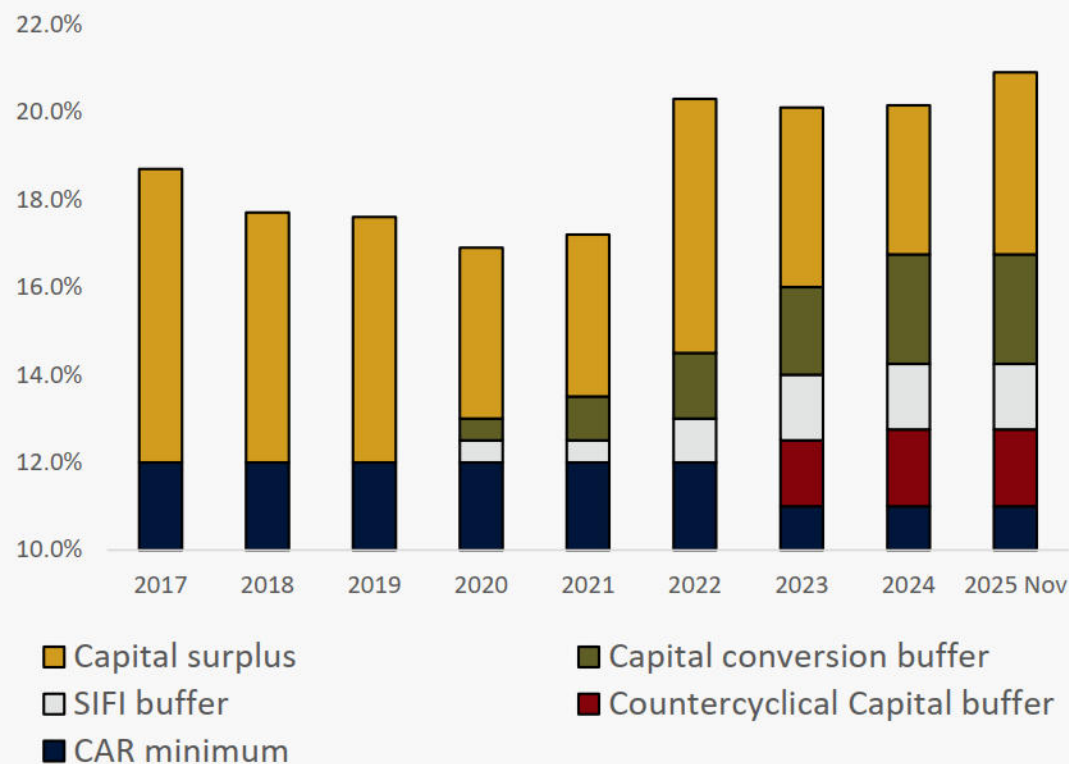
Source: the CBA / Statistical Committee

* The indicator was calculated based on the GDP smoothed series.

Risk Absorption Capacity

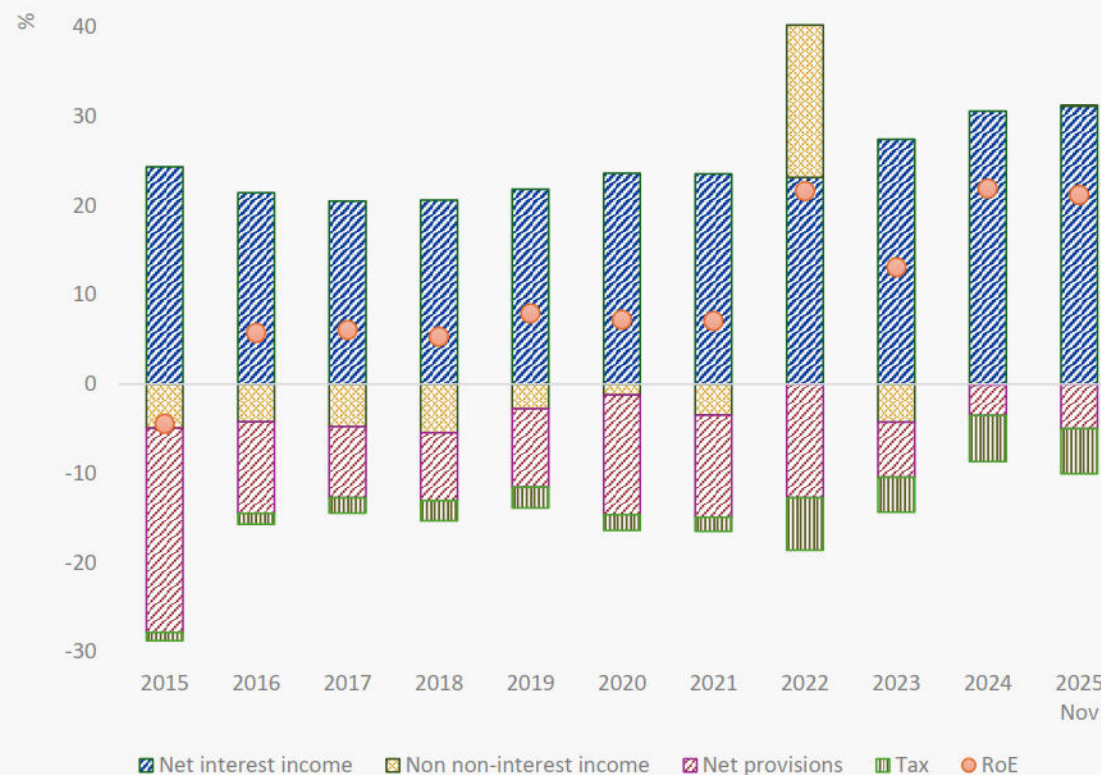
Excess capital buffers increased slightly, while capital profitability remained largely unchanged

Capital adequacy ratio*



Source: the CBA

Return on equity by components



Source: the CBA

* The capital adequacy ratio for 2024 and 2025 was calculated using a countercyclical buffer rate of 1.75%, effective from May 2025.

Real Estate Market Indicators

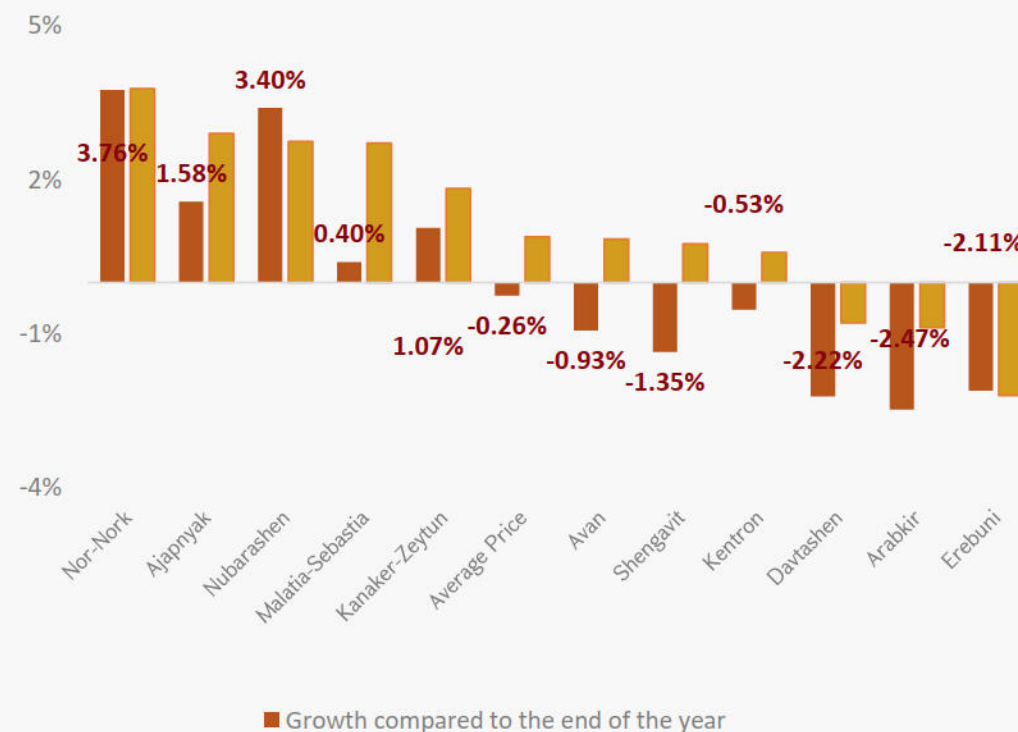
Average real estate prices increased in the second half of 2025, whereas rental payments continued to decline

Price per square meter of real estate and rental prices



Source: Cadaster Committee of the Republic of Armenia / Statistical Committee

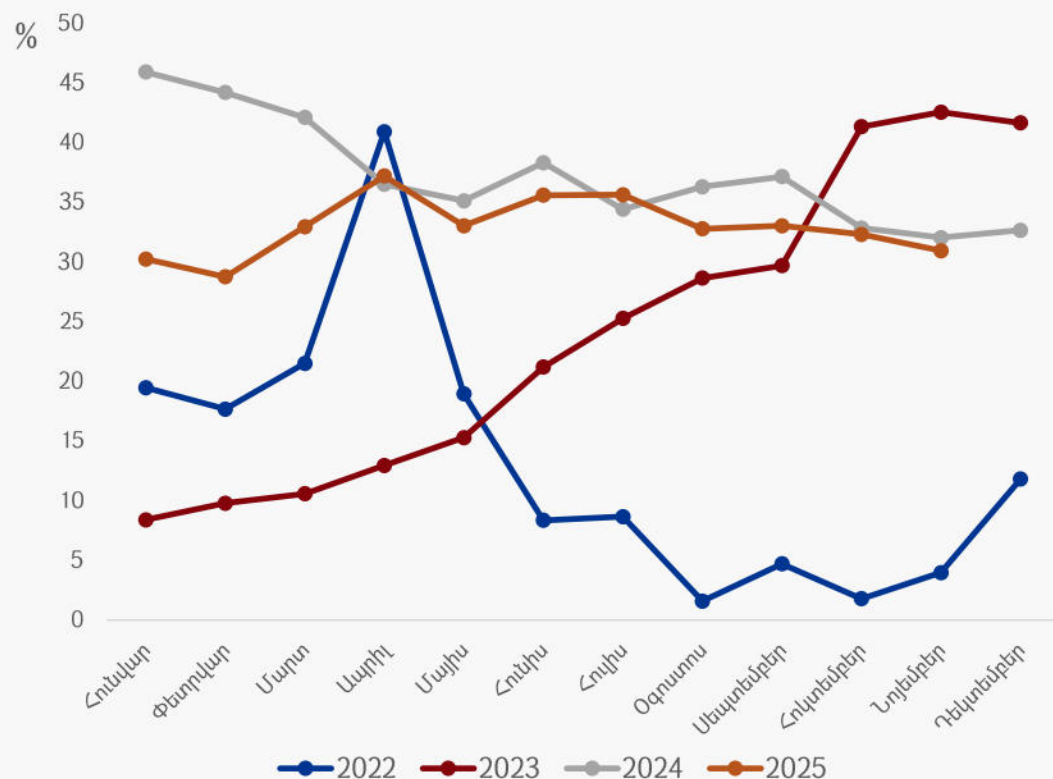
Changes in real estate prices by administrative districts of Yerevan



Source: Cadaster Committee of the Republic of Armenia / CBA

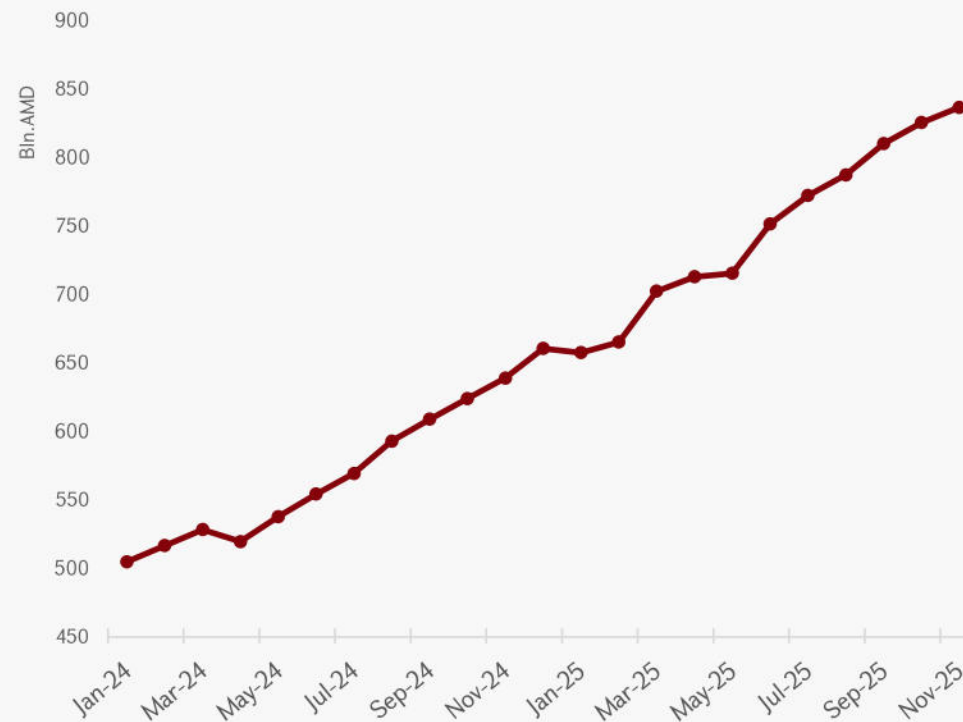
Annual growth rates of lending to the construction sector remained high

Annual growth rates of construction loans



Source: the CBA

Construction loan stock



Source: the CBA

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- ✓ Credit growth in the economy remained at a high level. However, developments across lending sectors were heterogeneous. In particular:
 - Consumer lending growth remained high
 - The expected slowdown in mortgage lending growth continued
 - Business lending growth was largely driven by the sustained high growth rates of loans to the construction sector
 - ✓ Household debt burden indicators - Debt-to-Income (DTI) and Debt Service-to-Income (DSTI) - increased.
 - ✓ The credit-to-GDP gap widened, which, among other factors, contributed to the increase in the Financial Cycle Index.
 - ✓ Systemic risks continue to be driven primarily by external geopolitical uncertainties, as well as by credit risks stemming from potential corrections in the real estate market. These factors, among others, were also taken into account in the Central Bank's previous decisions to increase the countercyclical capital buffer.

The countercyclical capital buffer (CCyB) rate was set at 1.75%.