



Central bank
of Armenia

FINANCIAL STABILITY INDICATORS AND RISKS

3rd quarter of 2026

2026 October

Main indicators of the banking system

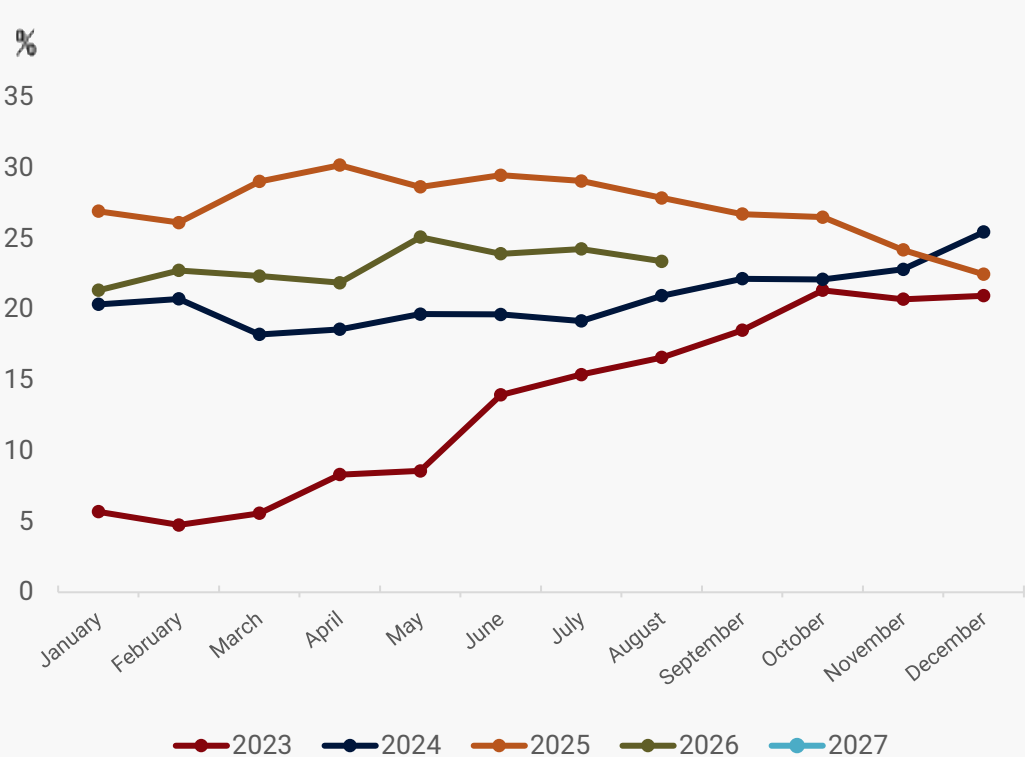
	Indicator value as of August 2026	12-month change
ASSETS	13.77 trillion AMD	18.94%
Loans	8.44 trillion AMD	23.39%
Non-performing loan ratio	1.5%	0.25 p.p.
LIABILITIES	11.69 trillion AMD	19.95%
Attracted deposits	7.35 trillion AMD	20.83%
EQUITY	2.08 trillion AMD	13.58%
Total Capital adequacy ratio	20.4%	0.17 p.p.
Liquidity coverage ratio	200.8%	0.01 p.p.
Return on Equity	18.29%	-2.5 p.p.
Return on Assets	2.9%	-0.45 p.p.

* Information is as of August 2026.

Developments in credit market

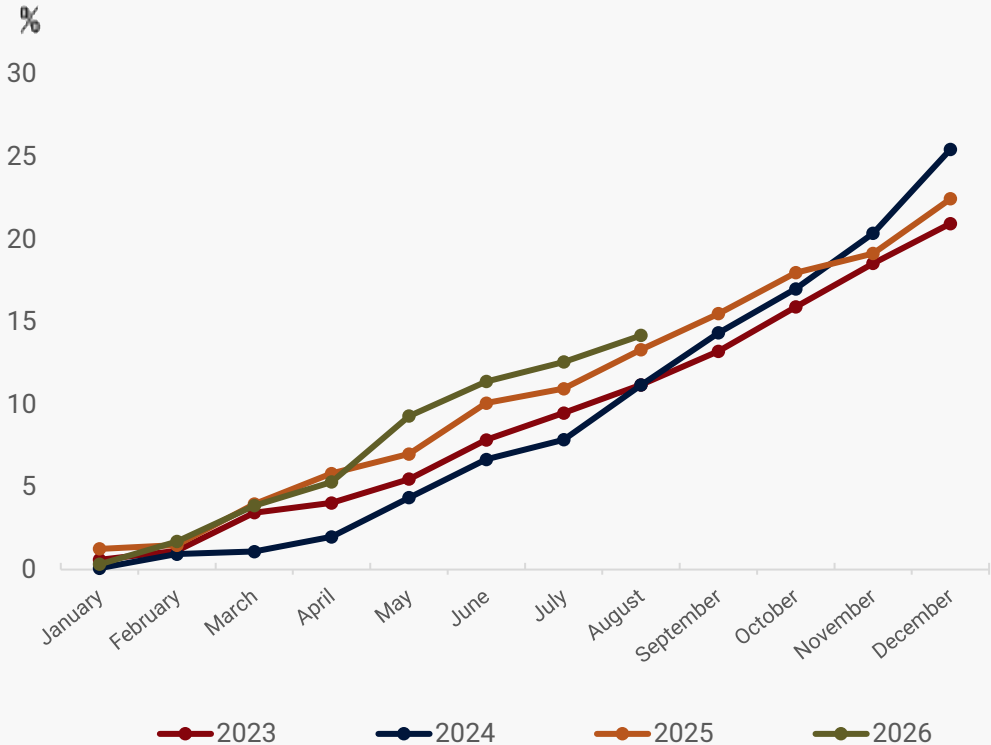
Total credit growth remains high – at a level comparable to previous years.

12-month growth rate of total credit stock



Source: the CBA

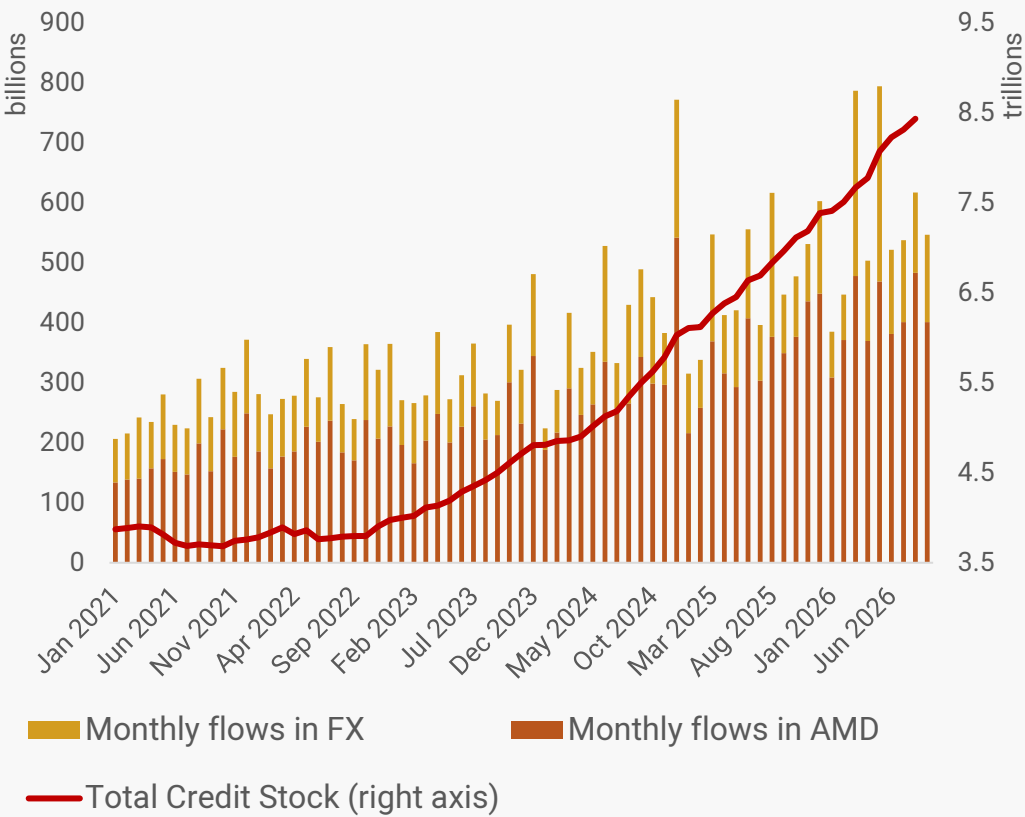
Growth rates of total credit stock compared to previous year end



Source: the CBA

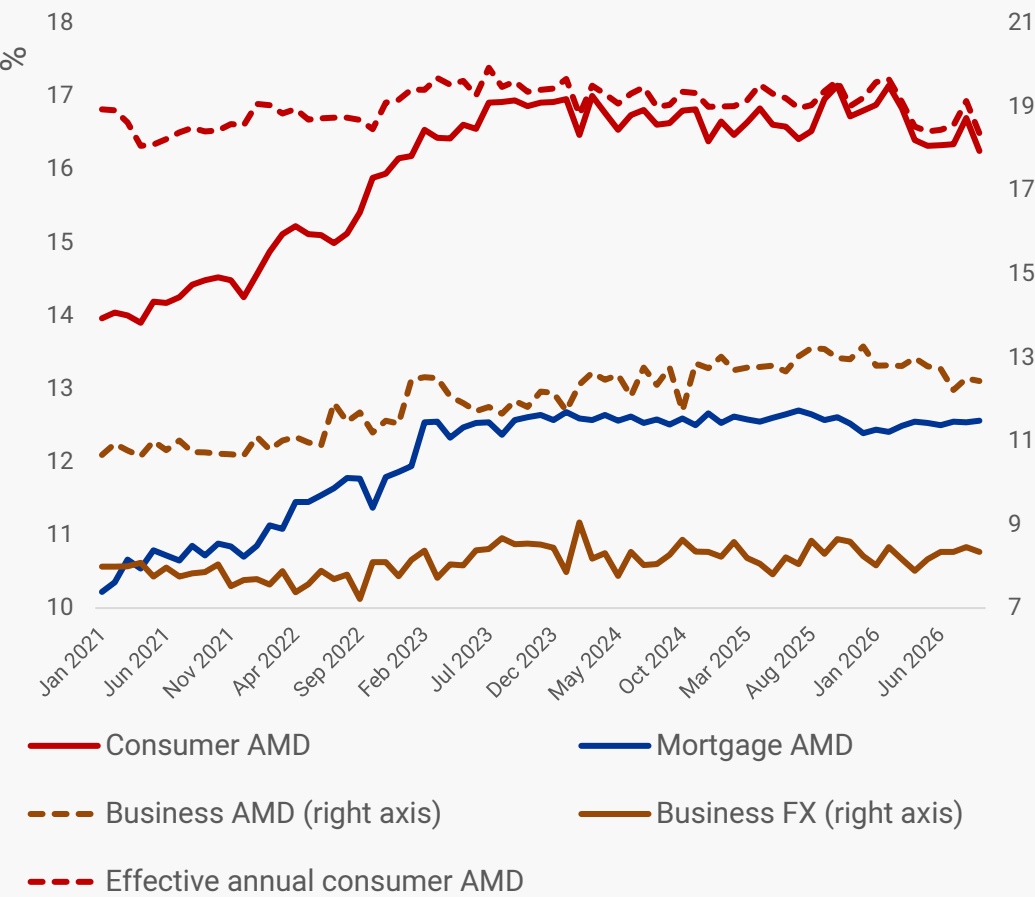
New lending volumes continue to grow amid slightly declining interest rates.

Total credit stock and flows



Source: the CBA

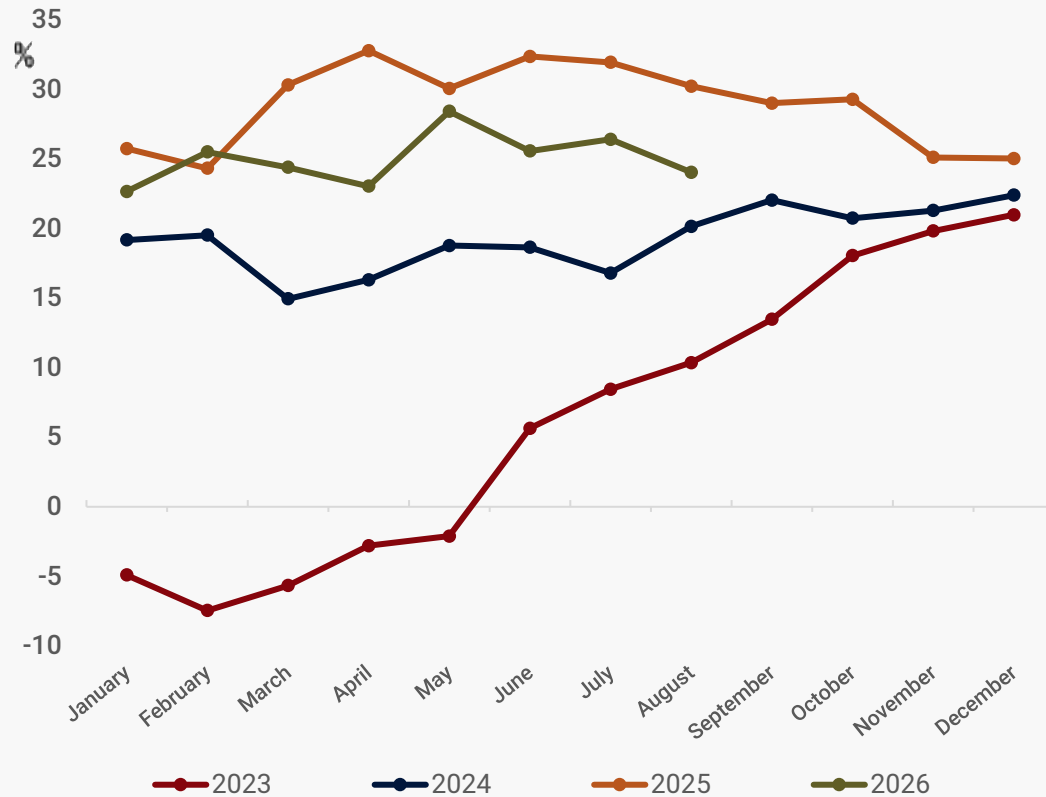
Dynamics of interest rates



Source: the CBA

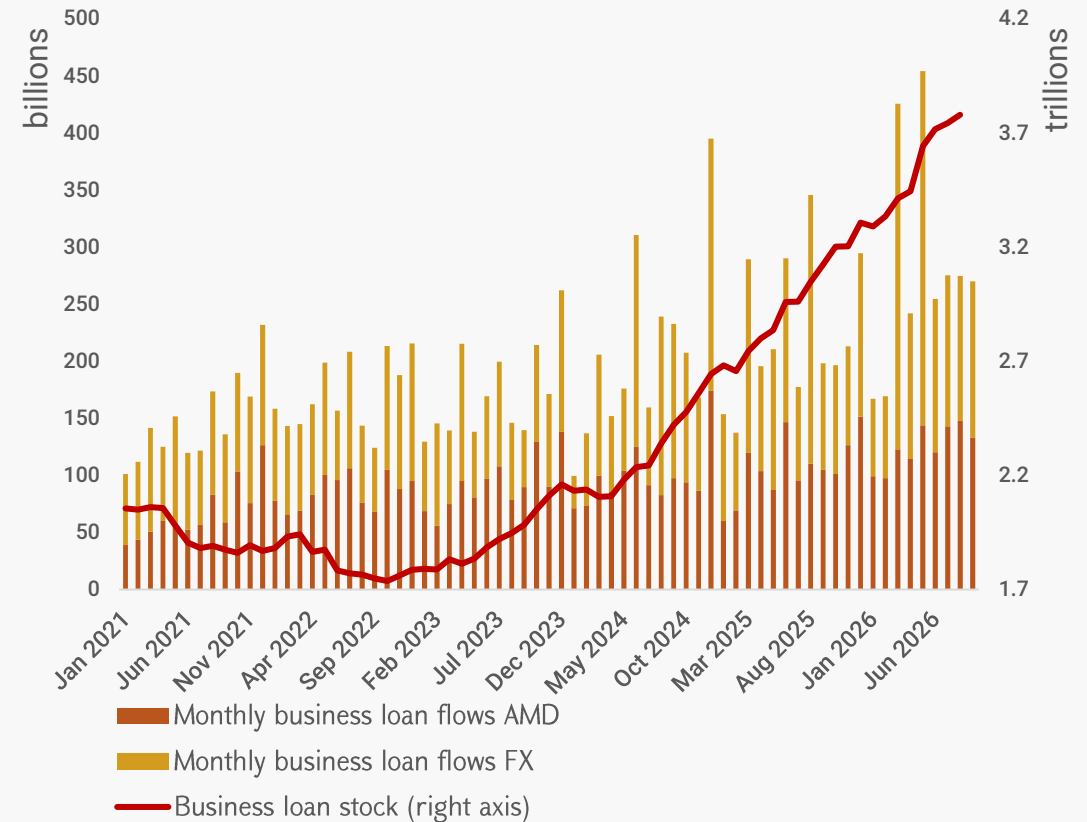
High growth rates of business loans have also been maintained.

12-month growth rate of business loan stock



Source: the CBA

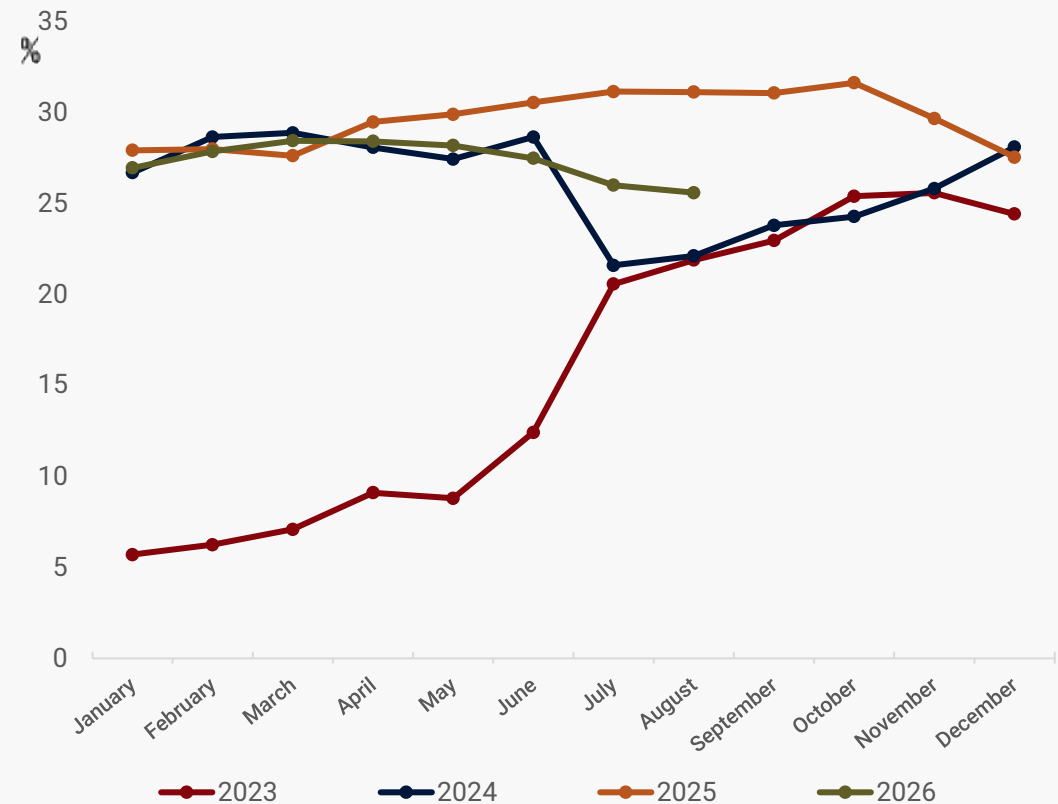
Stock and flow dynamics of business loans



Source: the CBA

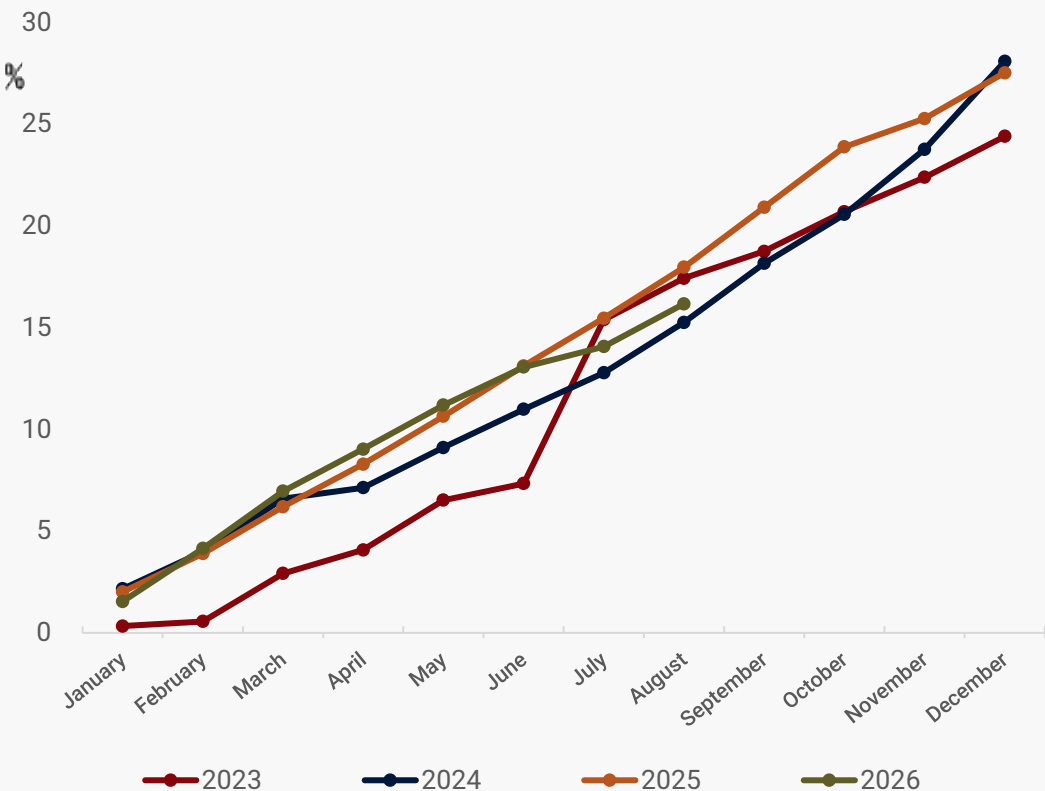
Consumer loan growth rates remain high, showing certain downward trend.

12-month growth rate of consumer credit stock



Source: the CBA

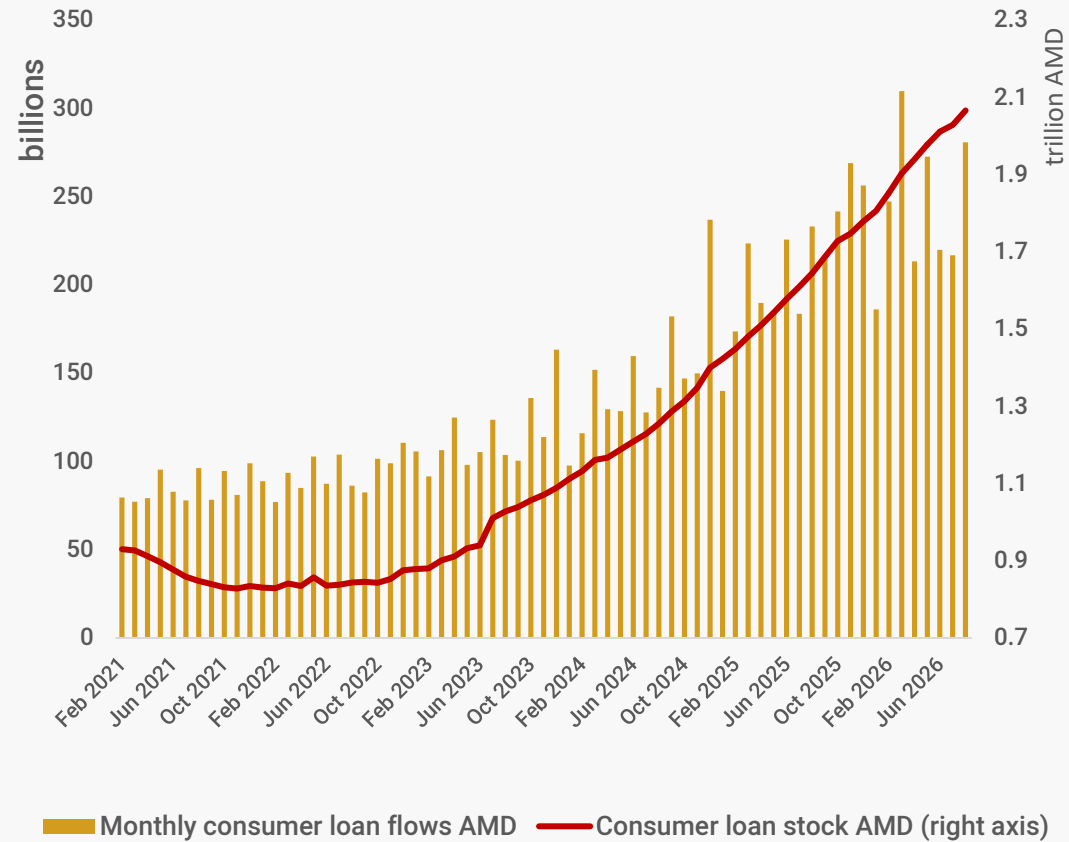
Growth rates of consumer credit stock compared to previous year end



Source: the CBA

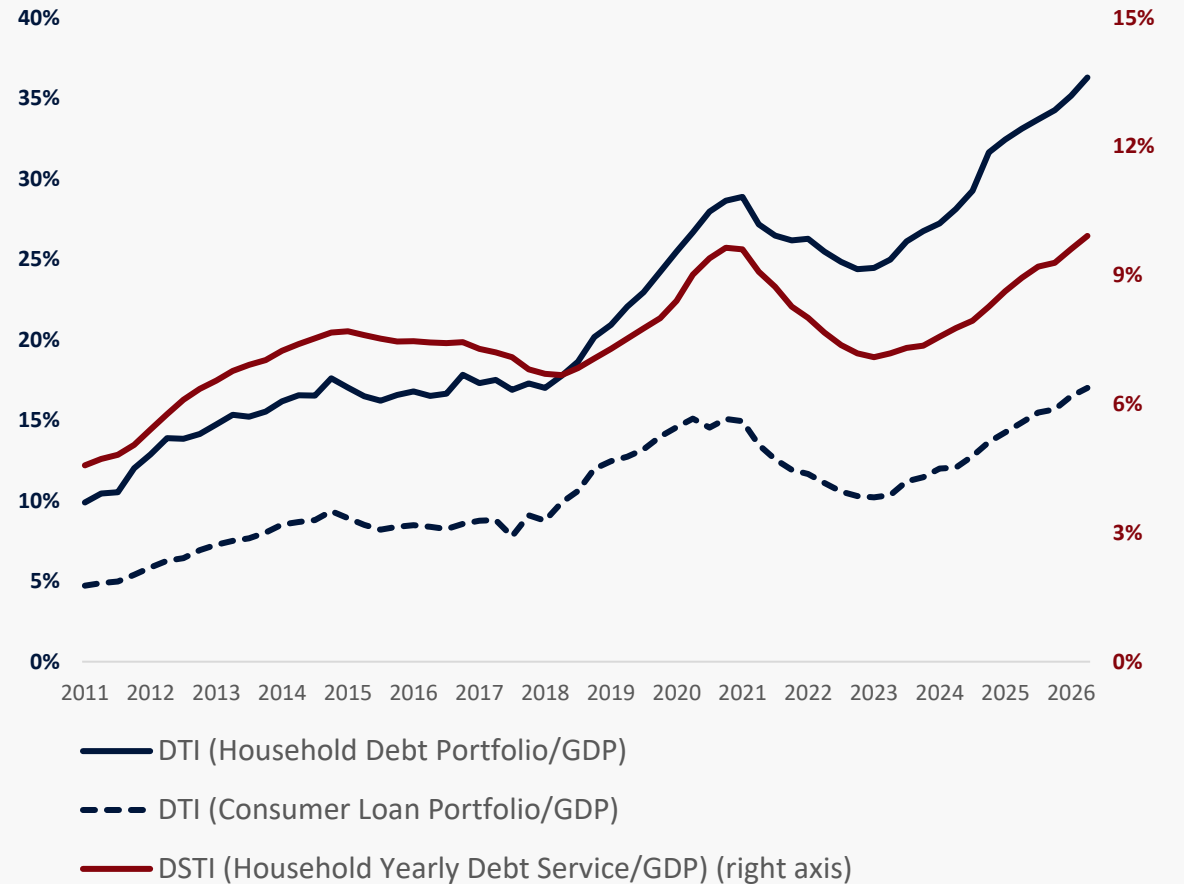
Growth of households' (HHs) debt burden continued.

Stock and flow dynamics of consumer loans



Source: the CBA

Household DSTI and Household DTI



Source: the CBA

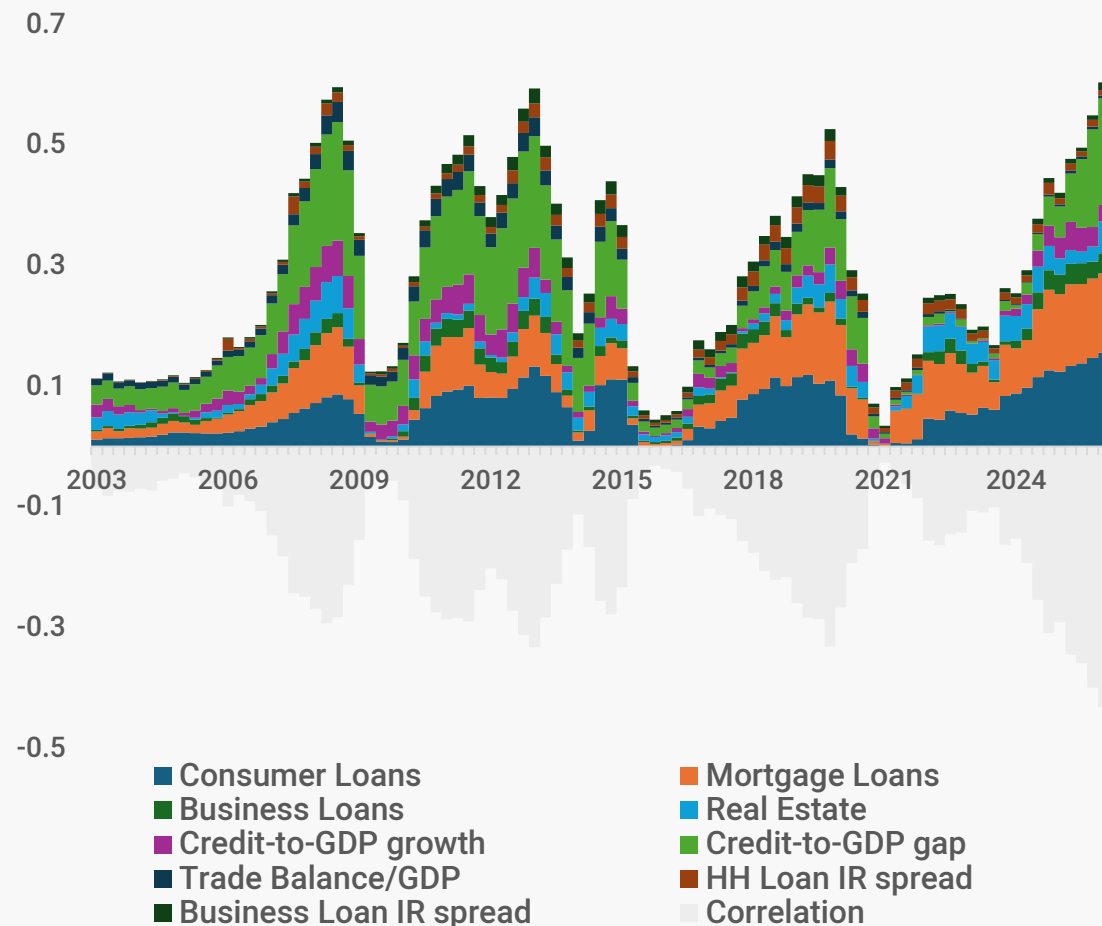
Financial Cycle Index and Credit-to-GDP Gap

The Financial Cycle Index has increased significantly, mainly due to developments in the credit and real estate markets.

The Financial Cycle Index

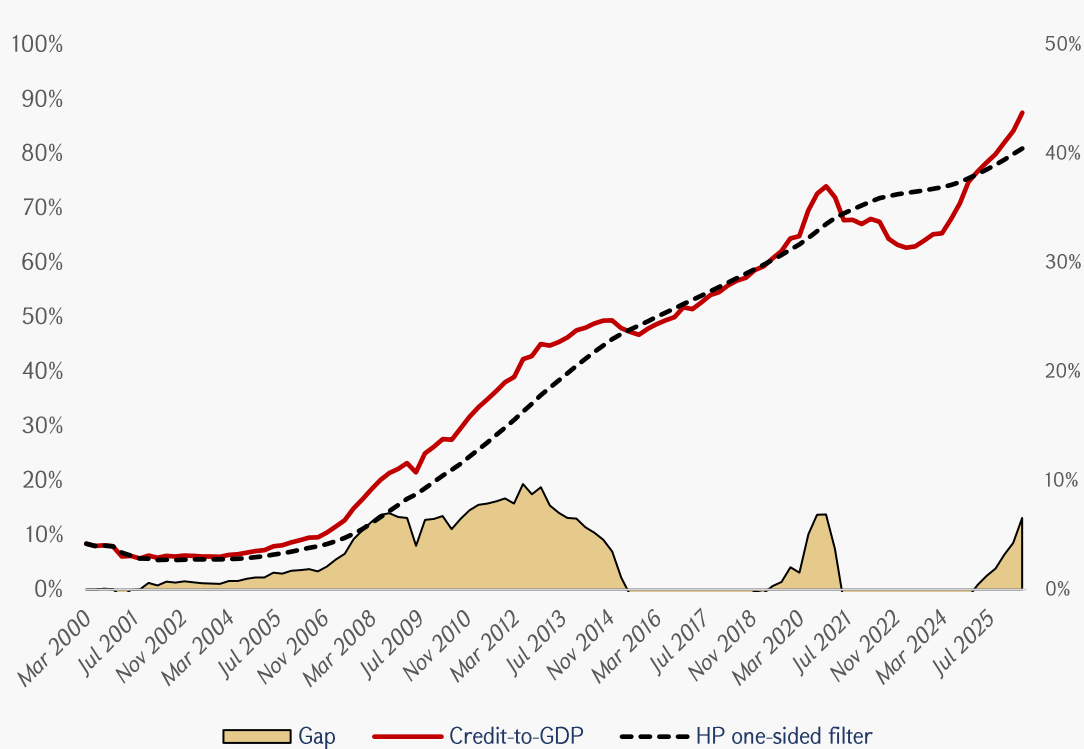


Contributions of the Financial Cycle Index components



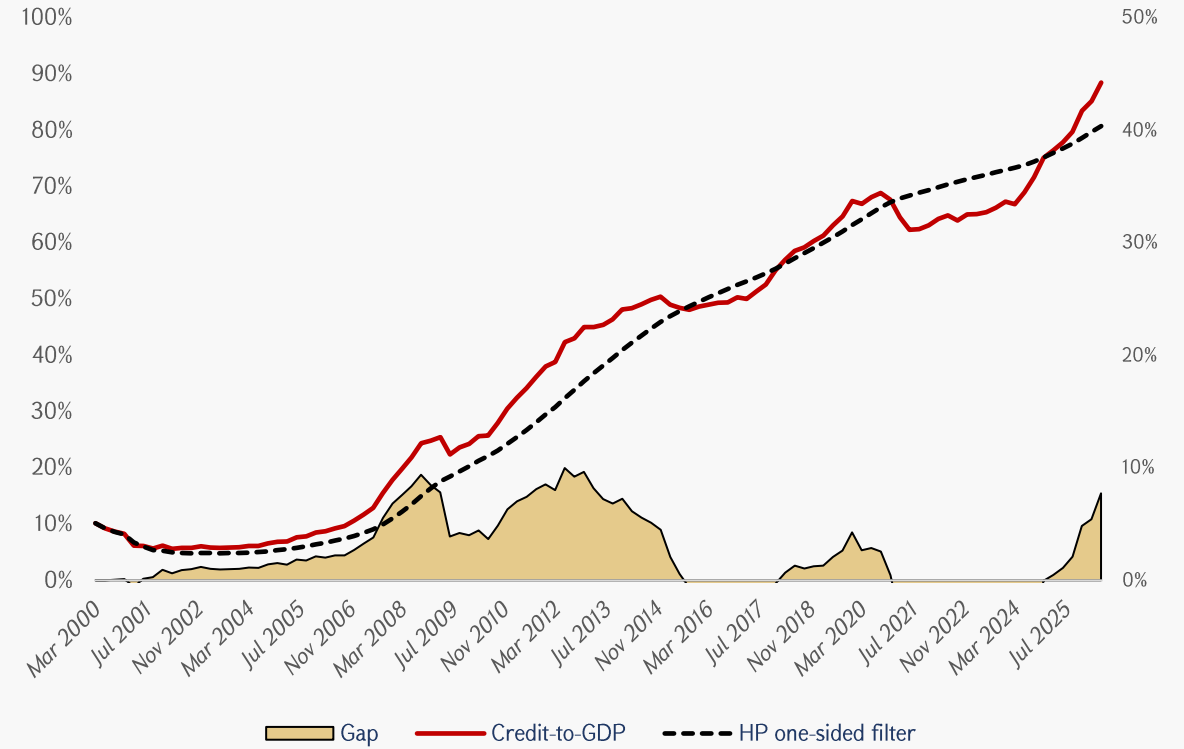
The credit/GDP gap continued to widen, driven by rapid credit growth.

The credit/GDP ratio and its long-term trend



Source: the CBA / Statistical Committee

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



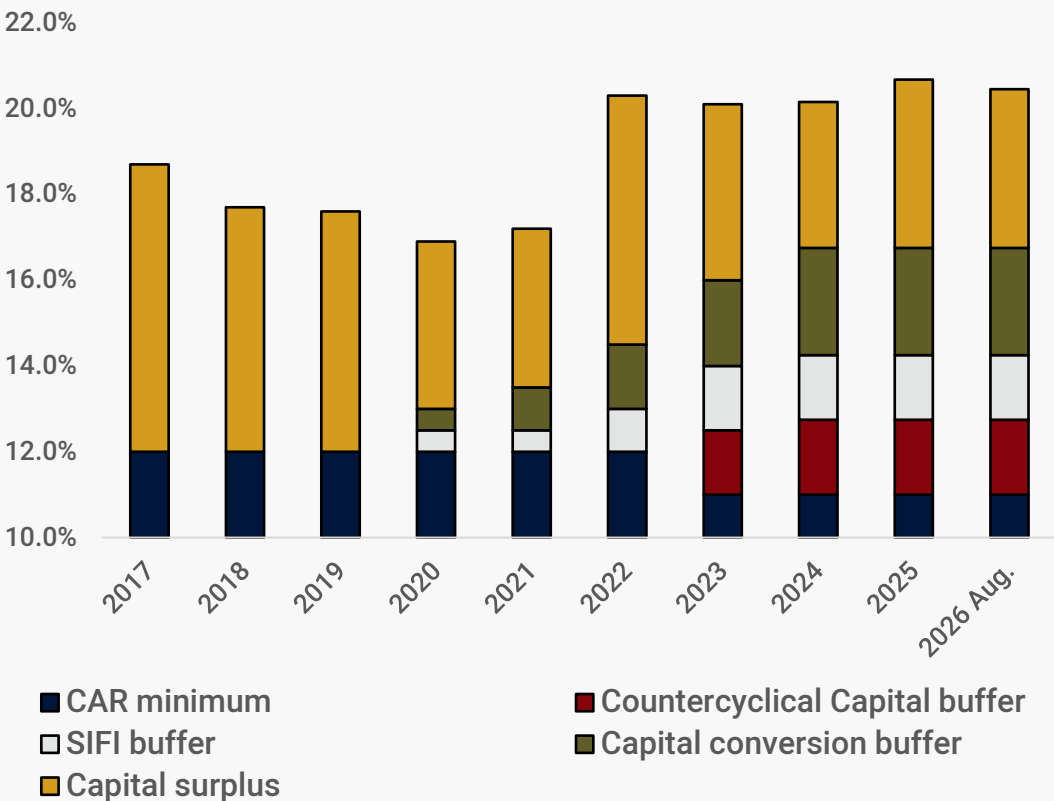
Source: the CBA / Statistical Committee

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

Risk Absorption Capacity

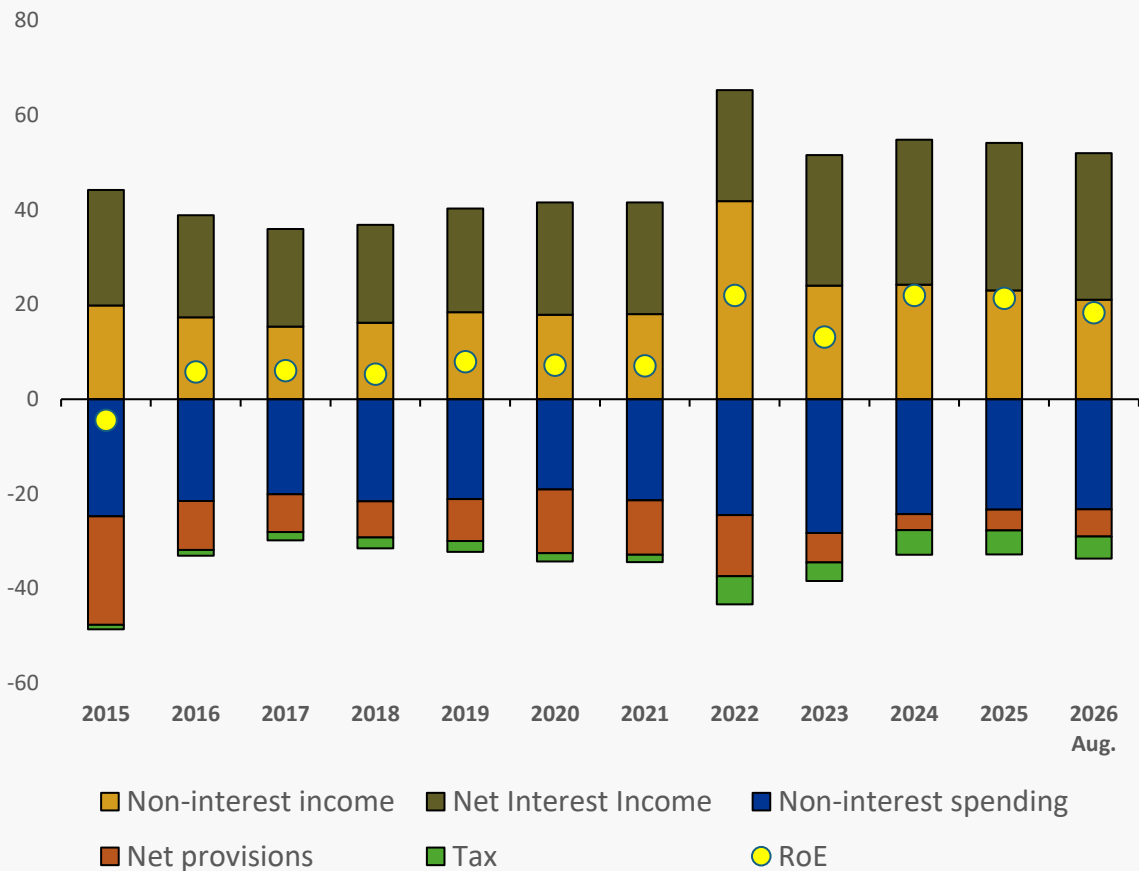
Excess capital reserves and return on equity have decreased slightly compared to the end of the year.

Capital adequacy ratio



Source: the CBA

Return on equity by components

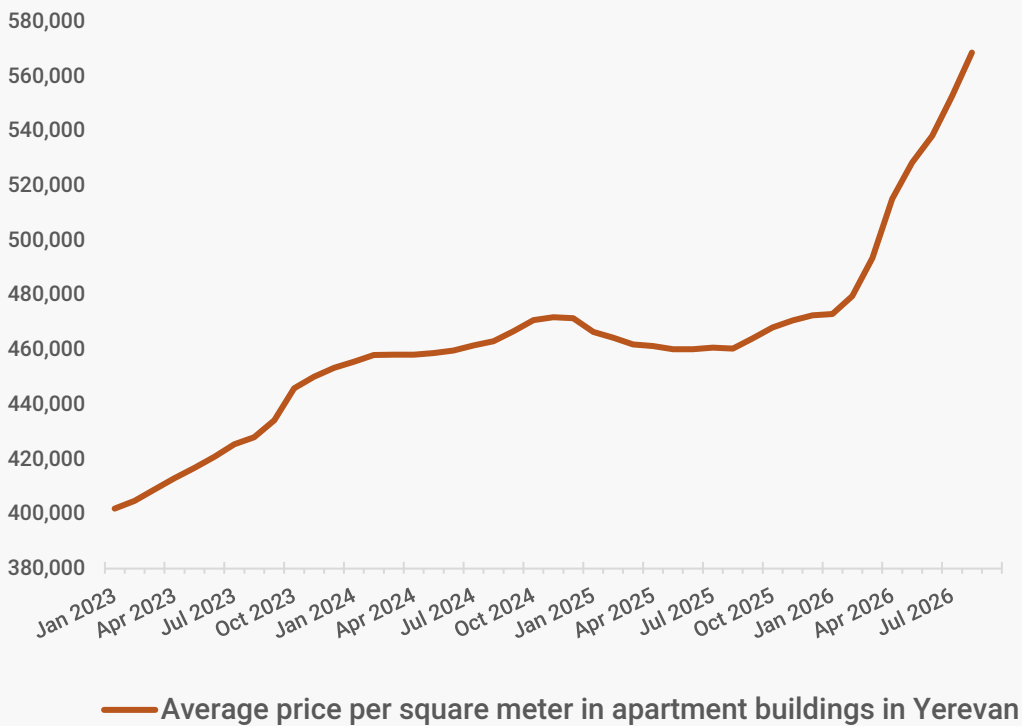


Source: the CBA

Developments In Real Estate Market

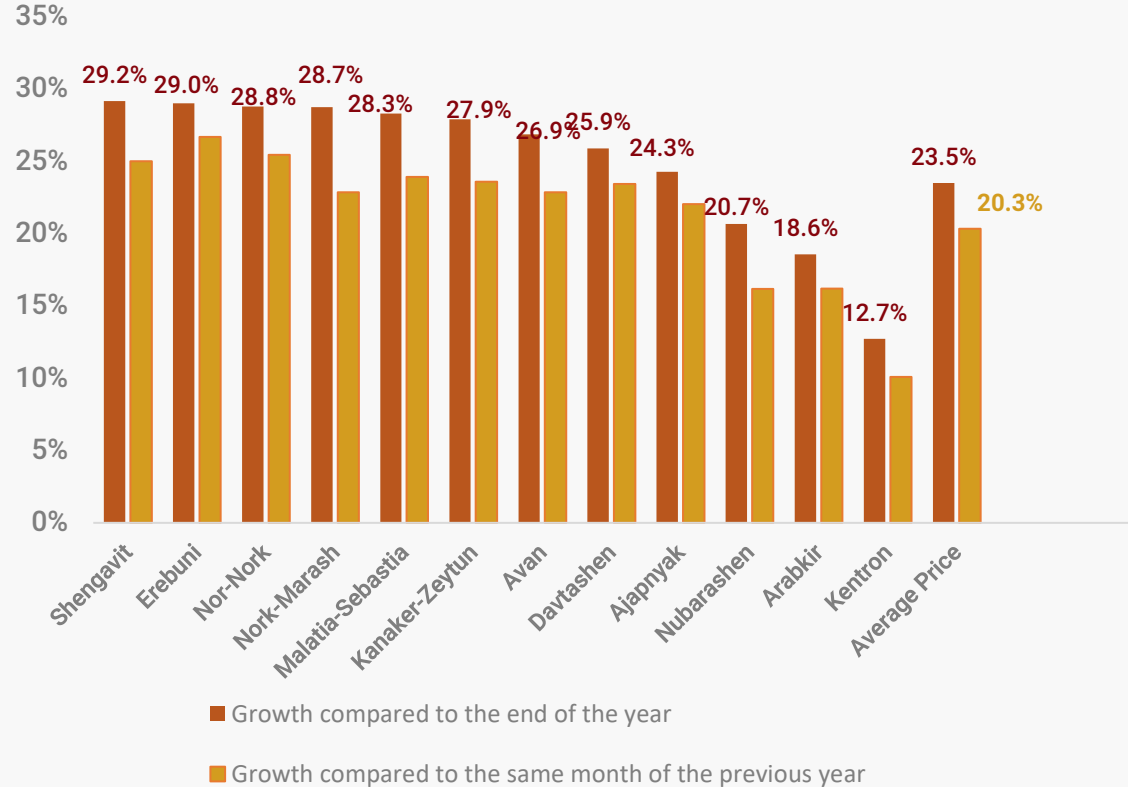
Developments in the real estate market may contain signals of a new phase of overheating.

Price per square meter of real estate in Yerevan



Source: Cadaster Committee of the Republic of Armenia

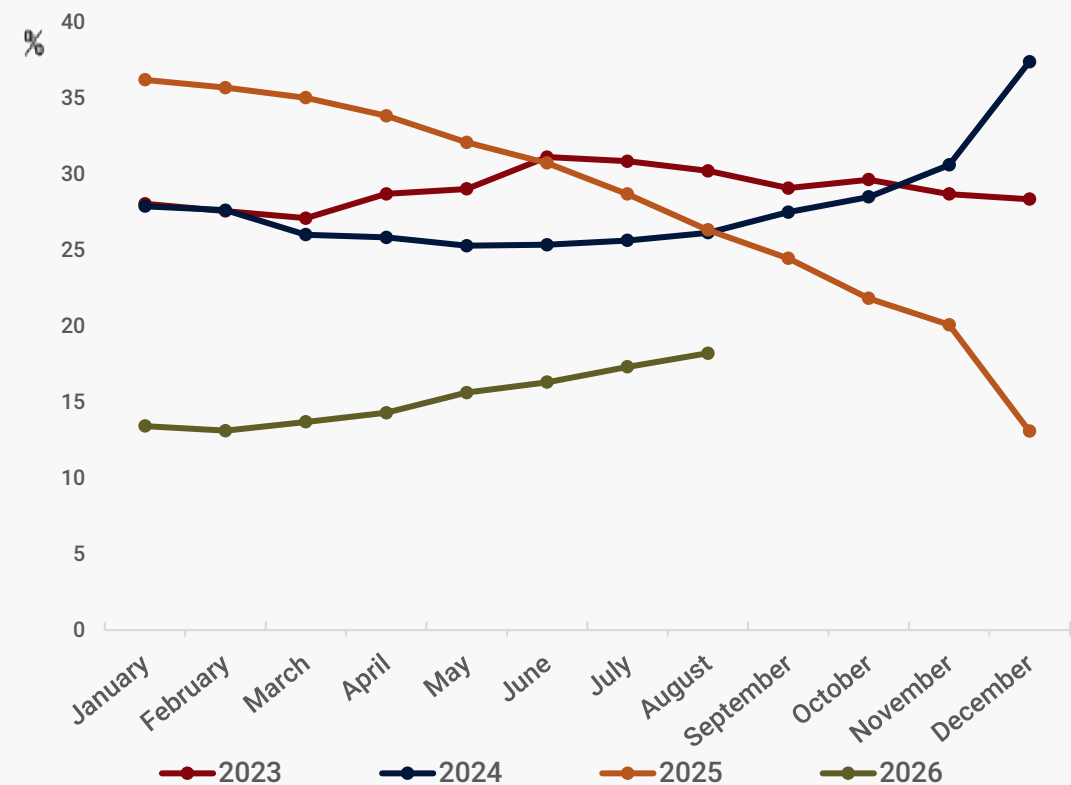
Changes in real estate prices by administrative districts of Yerevan



Source: Cadaster Committee of the Republic of Armenia

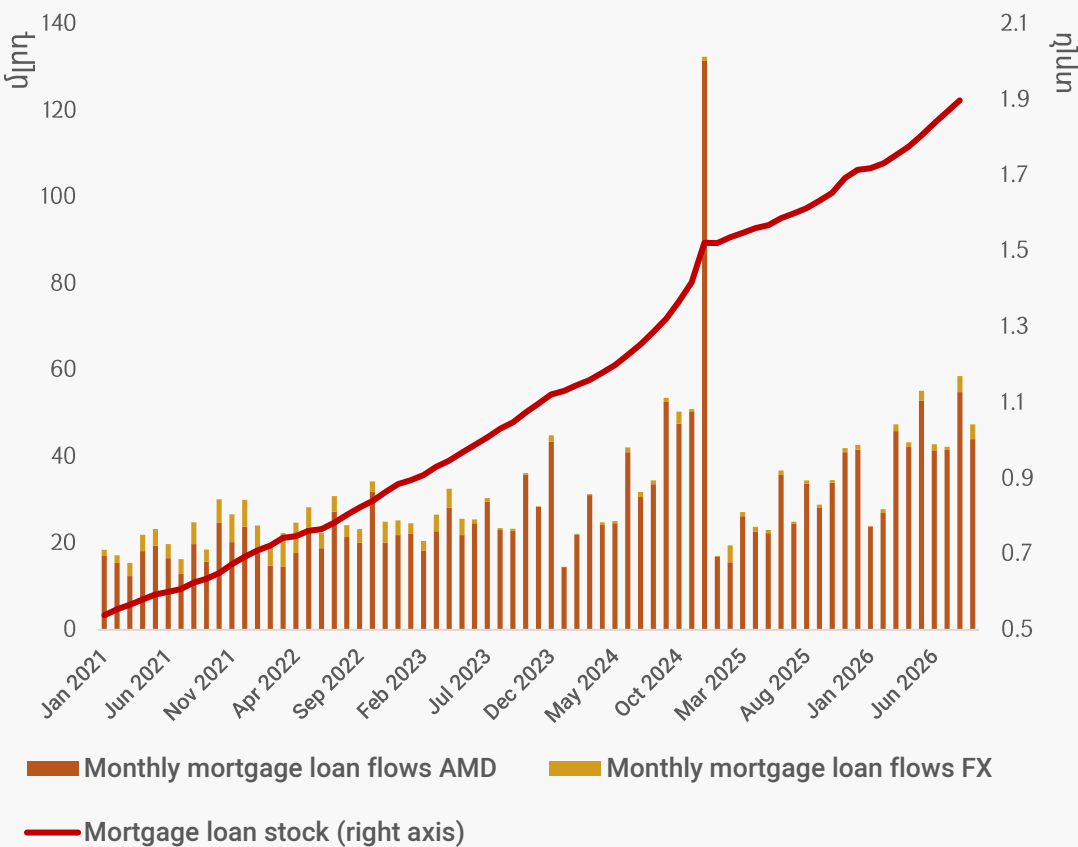
After a prolonged declining trend, the growth rate of mortgage lending has accelerated.

12-month growth rate of mortgage credit stock



Source: the CBA

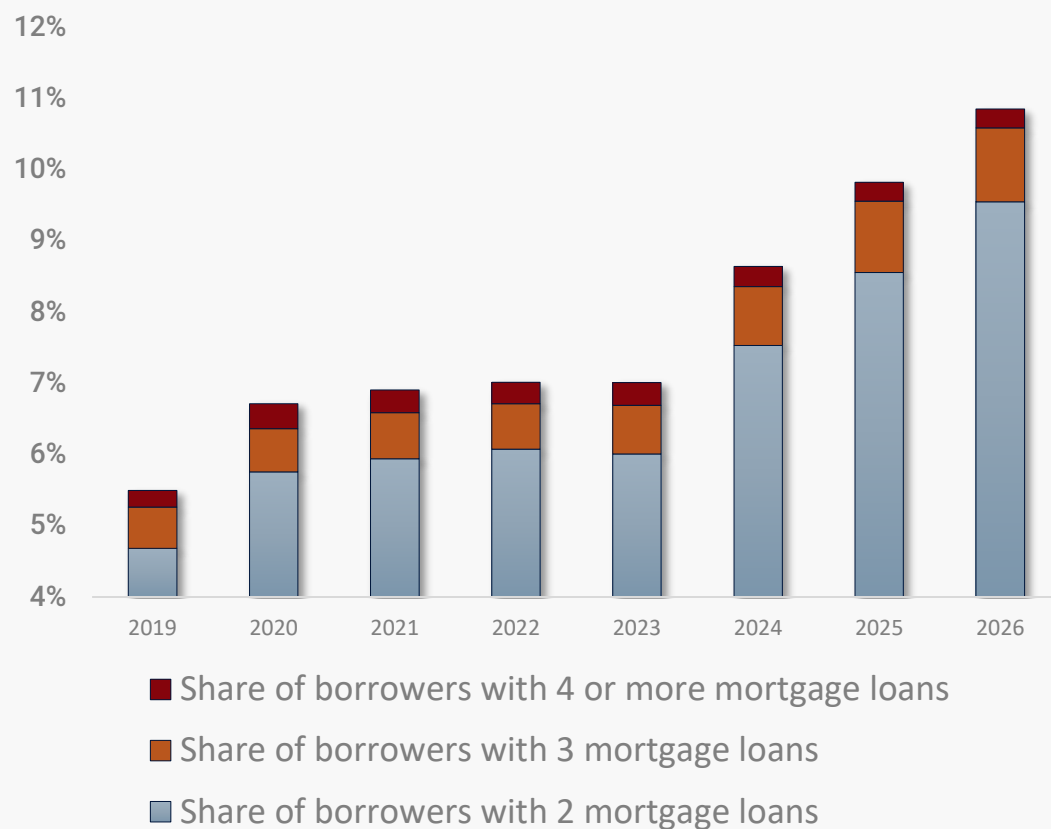
Stock and flow dynamics of mortgage loans



Source: the CBA

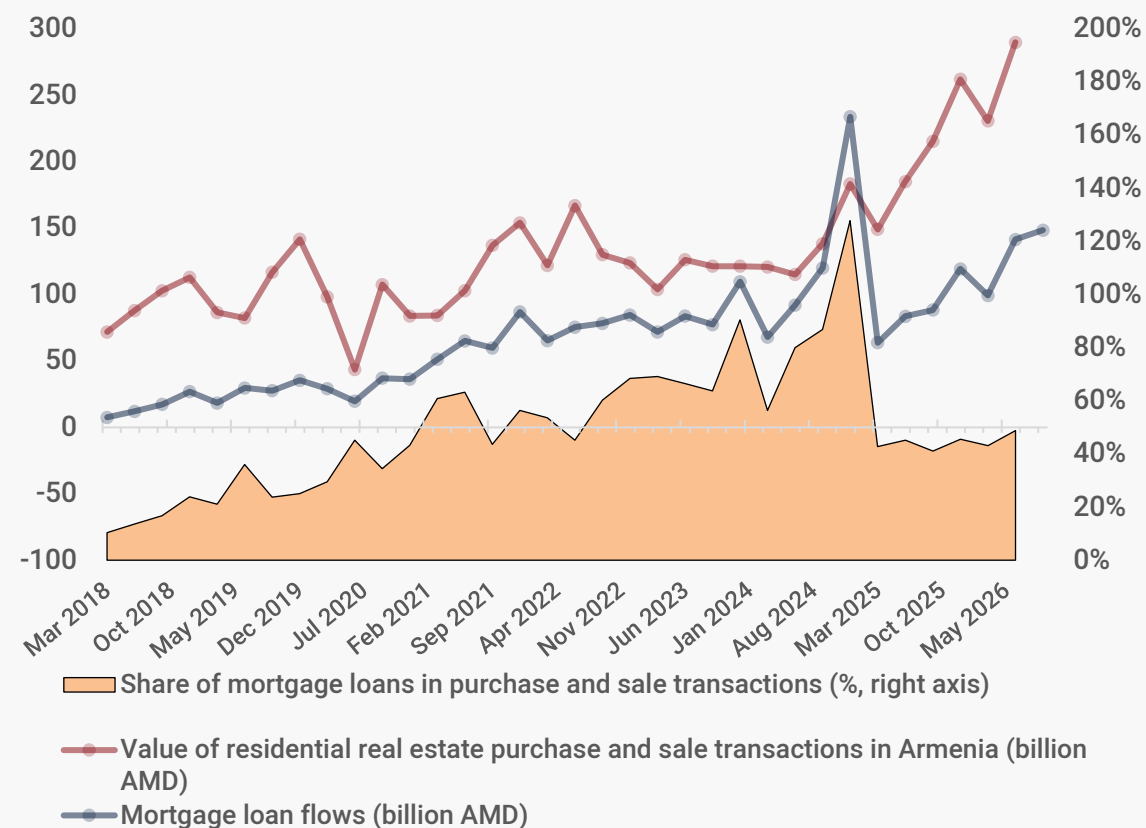
Growth impulses of investment demand in the real estate sector persist.

Share of borrowers with 2 or more mortgage loans in the total number of mortgage borrowers



Source: the CBA

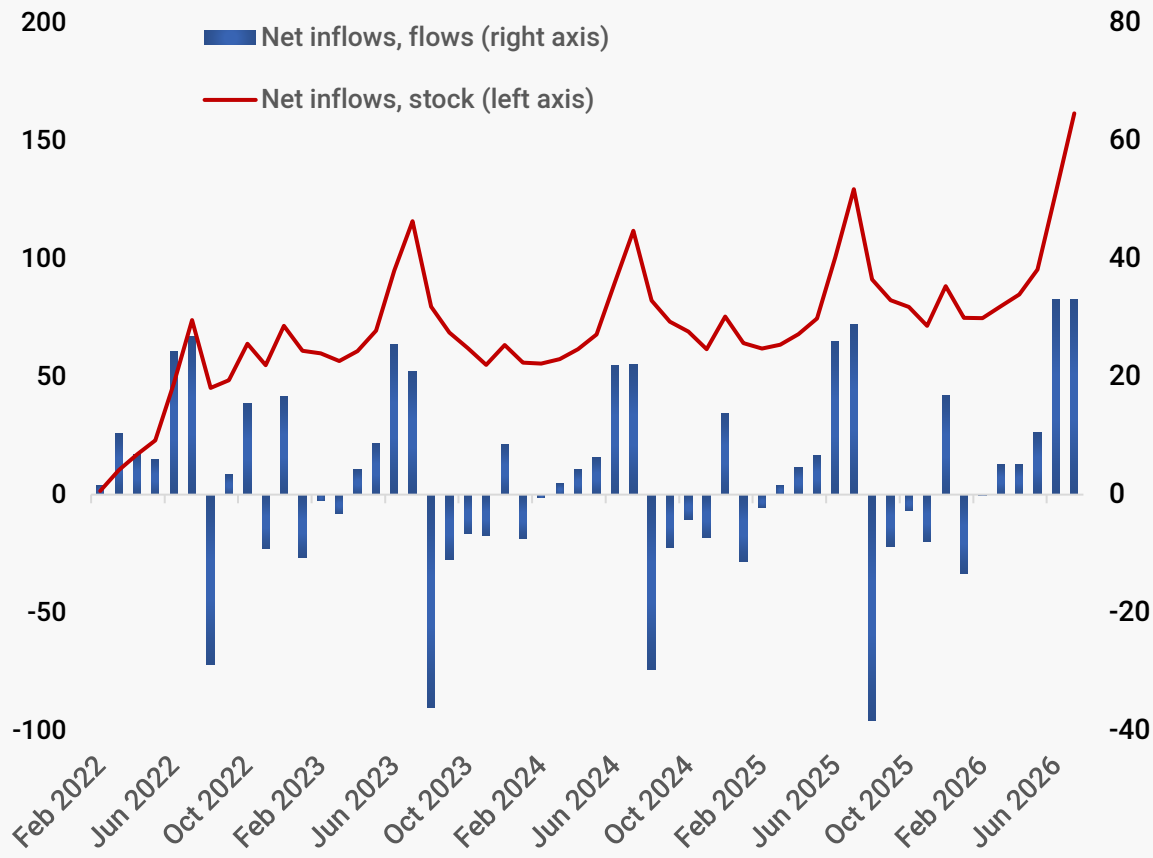
Value of residential real estate purchase and sale transactions and volume of mortgage loans



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

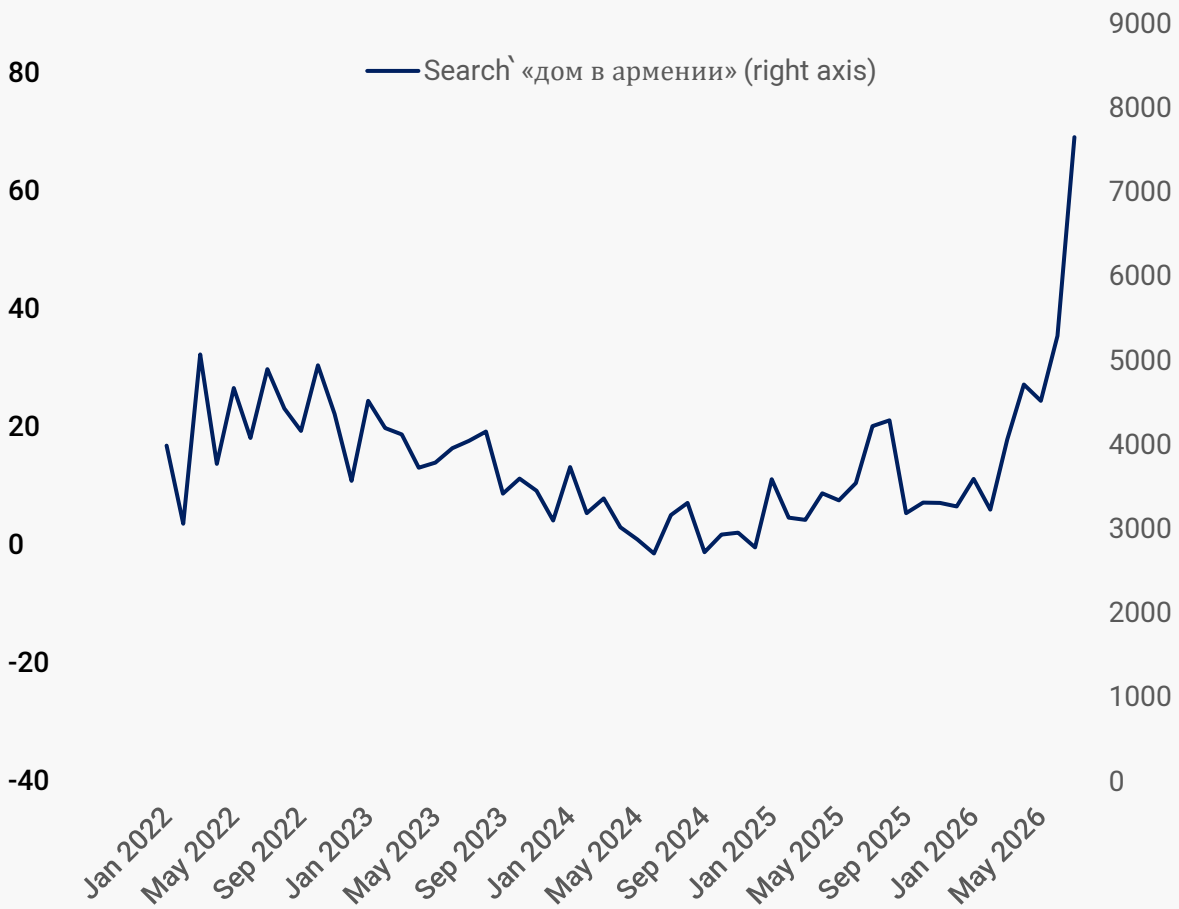
One of the presumed drivers of real estate price growth is higher demand driven by net population inflows to Armenia

Net inflow to Armenia (thousand people)



Source: the CBA

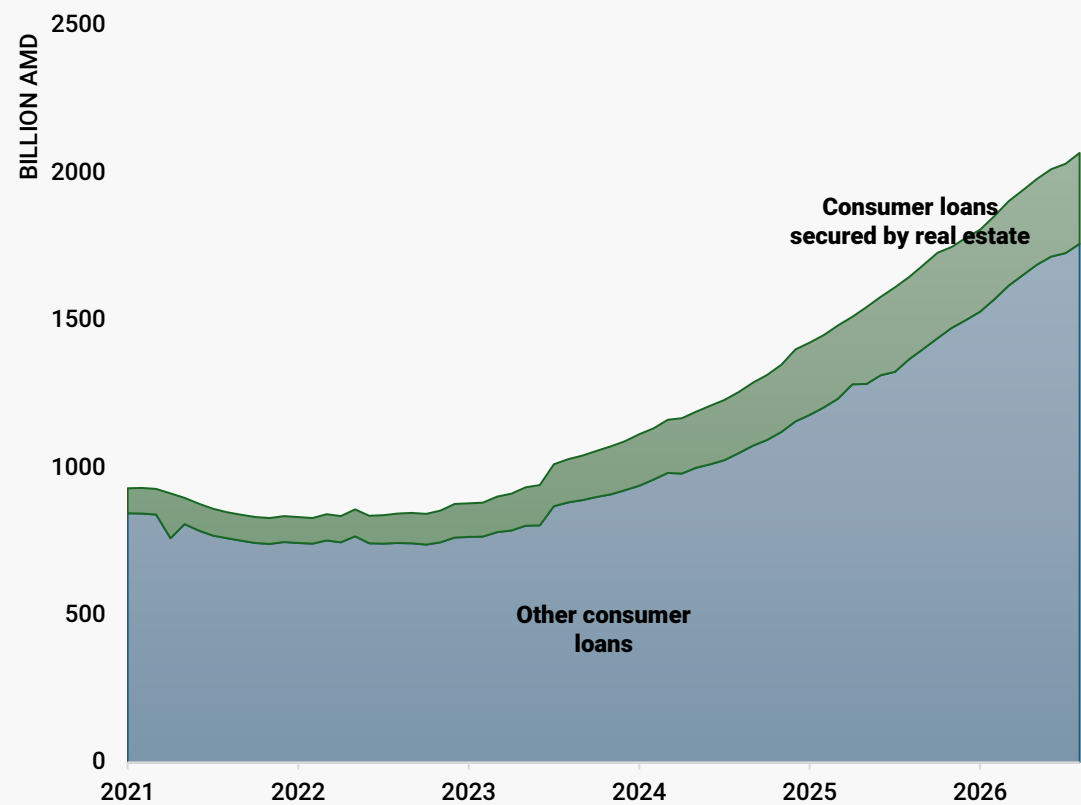
Interest in real estate



Source: the CBA

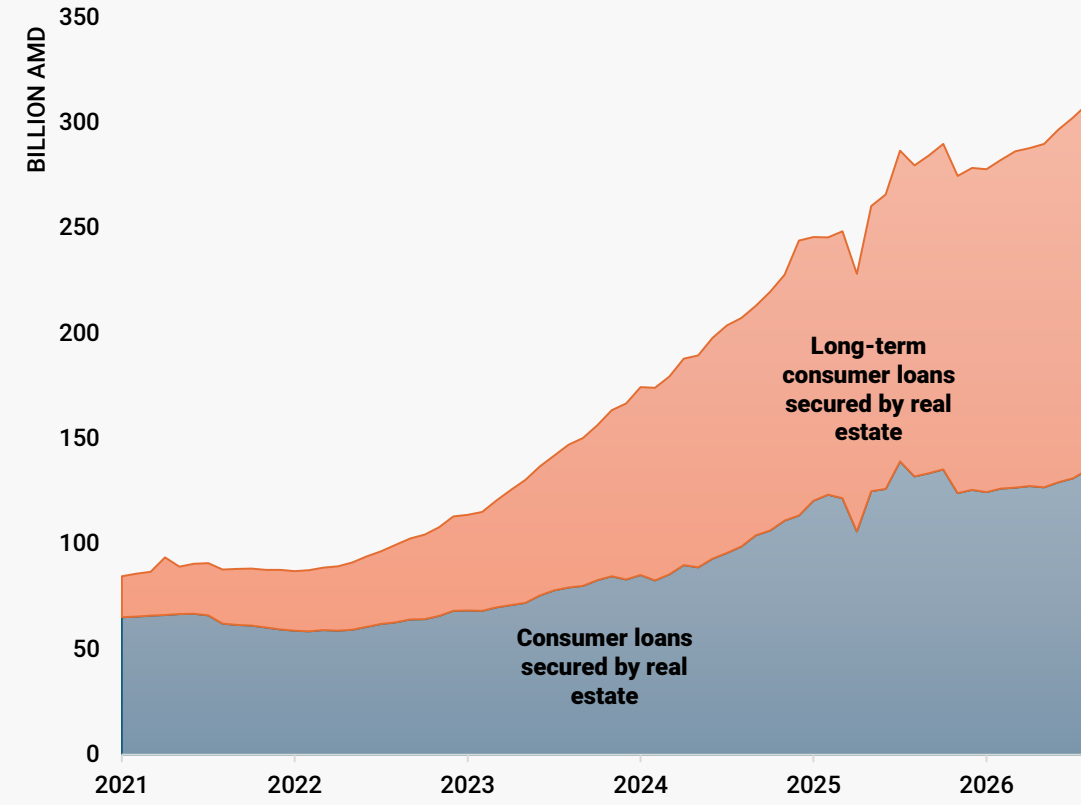
Part of the consumer loan portfolio has the maturity and collateral typical of mortgage loans

Consumer loans secured by real estate



Source: the CBA

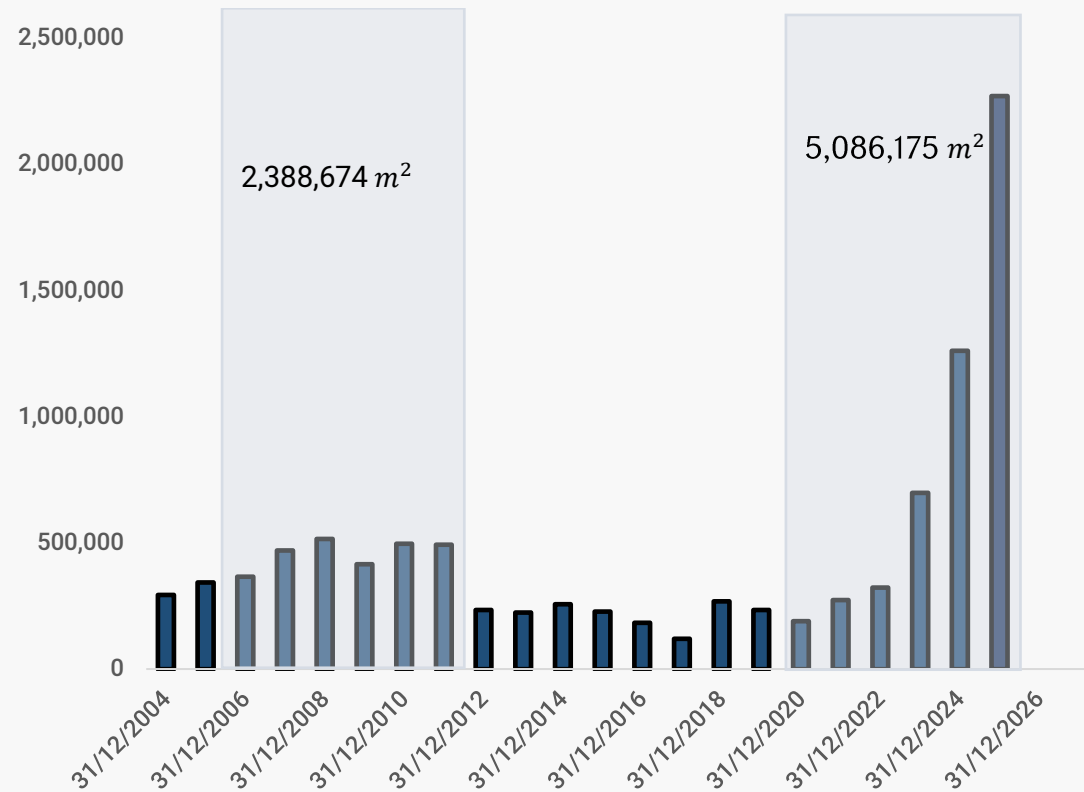
Consumer loans secured by real estate, by maturity



Source: the CBA

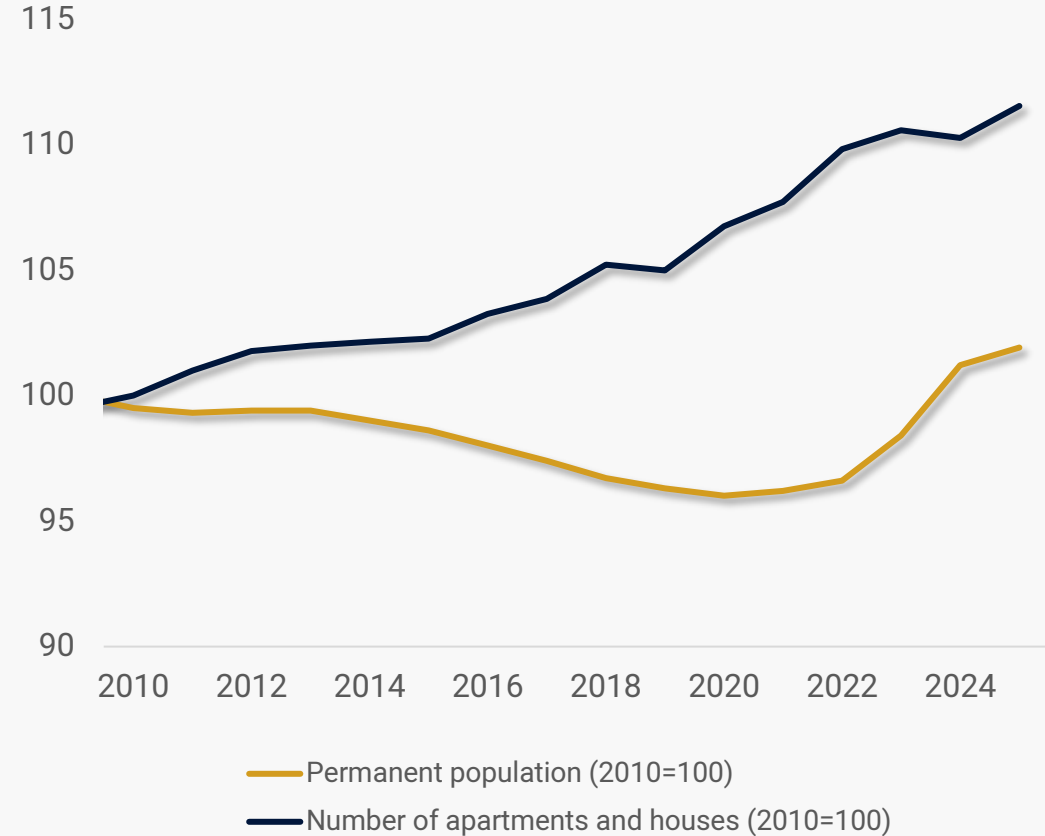
In 2020–2025, twice as much residential floor area was commissioned compared to the previous period of active construction 2006–2011

Total residential floor area commissioned



Source: Statistical Committee of the Republic of Armenia

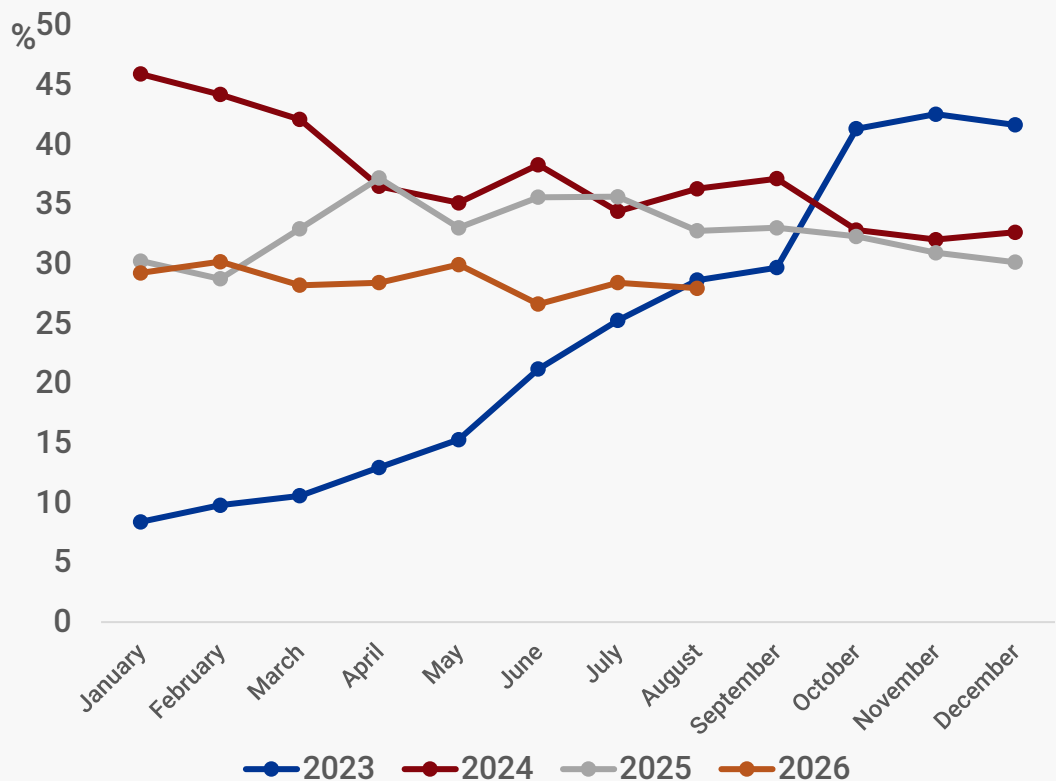
Permanent population and housing stock



Source: Statistical Committee of the Republic of Armenia, CBA calculations

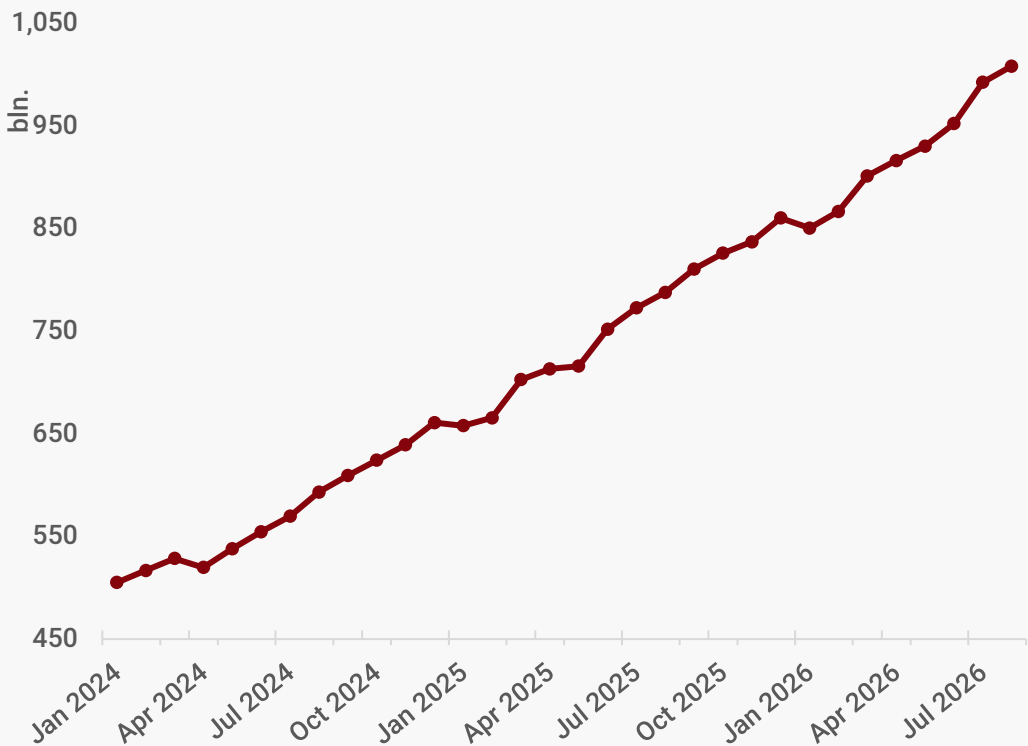
Construction loan growth remained high, the stock passing 1 trillion AMD as of August 2026

Annual growth rates of construction loans



Source: the CBA

Construction loan stock



Source: the CBA

Conclusion

- ✓ In the current quarter, the high growth trends recorded in the lending market since the beginning of the year were maintained. In particular:
 - Rapid growth of consumer loans continued
 - Mortgage loan growth rates have accelerated, while disbursement volumes have increased
 - Business loan growth was largely driven by the high growth rates of loans in the construction sector
- ✓ The debt burden of households (Debt to Income), as well as the debt service burden of the latter (Debt service to Income), continued to grow.
- ✓ The credit/GDP gap has increased, which, in addition to developments in the real estate and lending markets, has been a factor contributing to the growth of the Financial Cycle Index.
- ✓ The acceleration of mortgage lending after a prolonged decline in growth rates, as well as the increase in real estate market activity since the beginning of the year, may contain signals of a new phase of possible risk accumulation in this market.

The Countercyclical Capital Buffer (CCyB) rate has been increased by 0.25 percentage points, set at a level of 2.25% (effective from May 1, 2027).

- ***At the same time, as of February 1, 2027, banks must meet the 2% CCyB rate requirement, in accordance with Decision No. 050.0202 N of the Board of the Central Bank of Armenia, dated July 28, 2026.***