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Transparency Report

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A. Minutes of the Central Bank of Armenia Board Meeting on the Refinancing Rate

February 3, 2026

Present at the meeting: Governor Martin Galstyan, Deputy Governors Armen Nurbekyan and Hovhannes Khachatryan; and Board Members Artak Manukyan, Levon Sahakyan, Narek Ghazaryan, and Armen Ktoyan.

Assessment of Current and Underlying Economic Conditions

The Board meeting of February 3 opened with a presentation by the Monetary Policy Department team on the current economic conditions and underlying fundamentals in both the global and domestic economies. Developments in the external environment, inflation, the real, fiscal, financial, and monetary sectors were discussed, along with a range of scenarios stemming from various risks and uncertainties, and the key sources of uncertainty and risk relevant to monetary policy were highlighted. A more detailed and comprehensive assessment of current economic conditions and underlying fundamentals in the external and domestic economies is provided in Part B of the February 2026 Monetary Policy Statement.

Deliberations around Key Risks, Uncertainties, and Scenarios

Following the discussion of current and underlying macroeconomic developments in the external and domestic sectors, the Board proceeded to address the broad spectrum of risks in light of prevailing uncertainties, deliberating their implications for monetary policy, and making a decision on the policy rate. As a starting point for discussions, the Board discussed current market expectations of the future path of the policy rate. Based on the CBA's most recent surveys, financial market participants expect the CBA policy rate to gradually decline to 6.25% over the next eight decisions.

On the one hand, the Board has evaluated scenarios where underlying developments would require a tighter policy stance relative to current market expectations in order to contain excess demand, anchor inflation expectations to the target and guarantee the price stability objective (Case A-type scenarios). These types of scenarios primarily relate to uncertainties surrounding global neutral interest rates, the long-term stable level of Armenia's country risk premium, global and regional geopolitical developments, as well as the emergence of excess demand conditions in the domestic economy, among other considerations. On the other hand, the Board also evaluated scenarios where underlying developments would require the policy rate to follow a more rapid and aggressive downward path than what is currently priced in markets in order to sustainably bring inflation back to target in the medium-term horizon (Case B-type scenarios). These scenarios are primarily associated with a deterioration in the growth outlook of partner economies, risks of a weakening and deepening low-demand environment in the domestic economy, as well as uncertainties surrounding the level of Armenia's neutral interest rate.

Against the backdrop of the broader set of risks, Board members deliberated their individual views on the key sources and types of risks and uncertainty that were most relevant for making a prudent policy decision. These discussions took place in the context of "least regrets" decision-making, in terms of seeking to minimize potential losses that could arise from these scenarios materializing.

Board members discussed the sources of uncertainty surrounding the U.S. economic outlook and the potential macroeconomic implications. They noted that structural features of economic growth linked to developments in the technology sector, as well as the risk of further corrections in financial asset prices and a possible softening of labor market conditions, could weigh on the medium-term growth outlook. Turning to the US labor market, Martin Galstyan and Hovhannes Khachatryan observed that current developments in the technology sector could have an ambiguous impact. On the one hand, continued growth in investment in the AI sector may lead to an increase in employment in the short term. On the other hand, over the longer term, potential productivity gains could result in a modest upward adjustment in the equilibrium level of unemployment. Moreover, Board members agreed that the expansionary fiscal stance in the United States and the continued rise in public debt pose risks of US long-term interest rates remaining elevated for a prolonged period or increasing further. Narek Ghazaryan expressed concern about the possibility of additional corrections in US financial asset prices, which could have adverse effects on current demand conditions and the medium-term outlook in both the United States and the global economy. At the same time, Levon Sahakyan added that, as expectations for the Federal Reserve's policy rate path are gradually revised downward, a weakening of the U.S. dollar is likely to emerge as a prevailing trend, potentially increasing the dollar-denominated prices of non-financial assets and, to some extent, reinforcing the already elevated inflationary environment in global markets.

In discussions on economic developments and demand conditions in the euro area, Russia, and China, Board members agreed that, overall, the risks of a deterioration in the global demand outlook remain. In this context, Armen Nurbekyan noted that the main uncertainty surrounding developments in the Russian economy lies in whether the current slowdown in economic growth is transitory or indicates a movement toward levels consistent with underlying fundamentals. In addition, Hovhannes Khachatryan and Artak Manukyan added that, despite the ongoing deceleration in inflation, the still-strong pace of household consumption, significant real wage growth in certain sectors, and persistently elevated inflation expectations point to substantial challenges for the Bank of Russia, particularly given the need to effectively manage the inflation–growth trade-off. Armen Ktoyan emphasized the need to closely monitor developments in the Russian economy, noting the presence of both Case-A and Case-B type risks and scenarios. On the one hand, a potential tightening of sanctions on Russia could contribute to capital outflows to other countries, including Armenia, which may then manifest in the real estate market. On the other hand, a marked increase in the share of non-performing loans in the Russian banking system, along with the accumulation of other vulnerabilities, could signal growing imbalances in specific sectors and in the broader economy, potentially leading to a further, undesirable weakening of demand conditions. Narek Ghazaryan and Artak Manukyan agreed that this represents one of the more costly scenarios for the Armenian economy.

Board members agreed that risks of excess supply in the global oil market persist, under which the risk of a decline in global oil prices remains. However, Martin Galstyan, Hovhannes Khachatryan, and Narek Ghazaryan noted that, in the context of potential disruptions to supply chains resulting from further geopolitical developments, there are also material upside risks to oil prices.

In the context of discussions on geopolitical uncertainties, Armen Nurbekyan added that the recent increase in tensions calls for additional caution. From this perspective, Armen Ktoyan noted that the Armenian economy is gradually strengthening its resilience, becoming better prepared for potential developments.

The Board discussed uncertainties related to developments in the domestic economy. Members agreed that, compared with recent years, the imbalance between aggregate supply and demand has significantly declined; however, opinions differed regarding the current economic stance. Martin Galstyan, Hovhannes Khachatryan, and Levon Sahakyan considered that economic growth is close to its potential level. Armen Ktoyan noted that structural features of growth and concentration in a few sectors could obscure signs of weakening demand conditions in the economy. At the same time, Artak Manukyan added that the current increase in lending may be driven by rising gold prices and does not necessarily reflect underlying structural trends. In this context, Levon Sahakyan and Hovhannes Khachatryan further noted that the slowdown in retail trade turnover could also indicate the presence of a relatively weak demand environment in the economy. On the other hand, Armen Nurbekyan and Narek Ghazaryan observed that, despite certain non-structural factors, economic growth continues to slightly exceed its potential level. Armen Nurbekyan noted that the gradual easing of lending conditions could support a moderate expansion of domestic demand. Narek Ghazaryan added that high levels of savings, combined with sustained growth in consumer lending, could also contribute to demand expansion and create some inflationary pressures. Regarding the real estate market, Board members agreed that it continues to grow at a steady pace, although uncertainties surrounding its growth outlook remain. The Board concurred that demand in the real estate market remains high, supported by rising household incomes in the economy. At the same time, Levon Sahakyan highlighted the impact of factors related to the easing of financial conditions on the market. In addition, Narek Ghazaryan noted that risks of correction in the real estate market have been mitigated by the continued growth in household incomes.

Regarding financial conditions, all Board members noted that lending activity for businesses and especially for households remains high. Despite inflation for goods characterized by sticky prices remaining below the target and particularly low growth rates in the retail trade sector, may point to still-elevated demand conditions in the economy. Nevertheless, Armen Ktoyan observed that expectations of demand expansion may be overpriced, as the slowdown in mortgage lending is likely to have a lagged effect on consumer lending activity. At the same time, Armen Nurbekyan and Hovhannes Khachatryan noted that, in recent periods, issues related to financial cycles deserve particular attention from the perspective of financial stability. Moreover, Armen Nurbekyan emphasized the uncertainties surrounding the potential materialization of risks in Armenia's economy amid global investment reallocations and the reassessment of risks. In this context, Board members recorded the continued decline in Armenia's risk premium in recent months, while uncertainty regarding its long-term sustainable level persists. On the one hand, Armen Ktoyan noted that maintaining the risk premium at low levels could contribute to capital inflows into Armenia's economy. On the other hand, Armen Nurbekyan stated that the current declines in risk premia observed across emerging markets may not be of a long-term nature, and expressed concern that an upward adjustment from the present level could pose significant Case A-type risks for Armenia's economy.

Regarding fiscal policy developments, Board members noted that the behavior of fiscal policy remains predictable from the perspective of monetary policy. At the same time, they emphasized that the main source of risk relates to the comprehensive health insurance program, which could lead to a potential increase in budget expenditures and a broadening of the inflationary environment.

Turning to inflation developments, Board members noted that, toward the end of the year, inflation was close to the target. Nevertheless, Armen Nurbekyan and Narek Ghazaryan expressed concerns regarding the acceleration of underlying inflation in recent months. In particular, it was noted that the inflation of domestically produced non-seasonal food items, which has been a key contributing factor, is only partly driven by supply-side factors (such as excise taxes and labeling requirements on certain products) and may contain risks of an expansion of inflation expectations in the economy. Armen Ktoyan highlighted the structural characteristics of the economy as a significant factor behind the acceleration in underlying inflation. Meanwhile, Hovhannes Khachatryan pointed to the impact of short-term factors driven by logistical challenges. At the same time, Artak Manukyan observed that downward pressures on prices in the oil market could generate disinflationary tendencies across the broader transportation chain. That said, Board members emphasized that the decline in global food prices observed since September, together with seasonal food inflation remaining below historical trends, has contributed to a significant slowdown in inflation since the second half of the previous year. They also underscored the importance of closely monitoring inflation developments, particularly amid elevated levels of economic activity.

Summarizing the views expressed above, the Board agreed that, from the perspective of the economy's outlook, the primary policy imperative lies in assessing the most relevant and costly risks in terms of their scale and impact, as well as determining what types of policy errors should be avoided, guided by the principle of "least regrets" decision-making. Overall, Board members were in agreement that the main risks discussed in previous policy cycles have continued to soften.

At the same time, Board members expressed differing views regarding the appropriate approach to managing risks over the medium-term horizon. In particular, Martin Galstyan, Hovhannes Khachatryan, Armen Ktoyan, Levon Sahakyan, and Artak Manukyan, balancing the need to manage risks in both directions as outlined above, voted in favor of keeping the policy rate unchanged, consistent with market expectations. Armen Nurbekyan and Narek Ghazaryan, placing greater emphasis on the need to manage Case A-type risks, also voted in favor of maintaining the policy rate unchanged.

Policy Decision

In the context of its risk management framework, and amid significant uncertainty, the Board of the CBA emphasizes the importance of minimizing the losses that could stem from these and other scenarios materializing. The Board resolutely affirms its commitment to adopting the appropriate policy actions and strategy to ensure price stability.

As a result, the Board of the Central Bank of Armenia voted to keep the policy rate unchanged (see Table 1). The Board will continue to monitor relevant risks and scenarios, and stands ready to take adequate actions to ensure that the price stability objective of 3 percent inflation over the medium-term horizon is met.

Individual vote explanations, submitted by each Board member at the time of their vote, are presented in Section B of this report.

Table 1. Summary of Votes on the CBA Refinancing Rate by Individual Board Member
February 3, 2026 Decision

Board Member	Vote
Armen Ktoyan	Keep unchanged
Narek Ghazaryan	Keep unchanged
Levon Sahakyan	Keep unchanged
Artak Manukyan	Keep unchanged
Hovhannes Khachatryan	Keep unchanged
Armen Nurbekyan	Keep unchanged
Martin Galstyan	Keep unchanged

B. Final Vote Submissions

February 3, 2026 Decision

Final Vote Submissions are provided by each Board member at the time that they cast their vote for the policy decision. These submissions are intended to succinctly and directly explain the key risks and issues that each Board member considered as part of their rationale for casting their vote.

Governor Martin Galstyan

Based on discussions with the Board during the policy round, the analysis of current and underlying economic conditions, as well as a careful assessment of the key sources of risk and uncertainty, I have voted to leave the policy rate unchanged. My decision is motivated by the need to carefully manage both the Case A and Case B-type risks. US economic policy remains a key source of uncertainty, with fiscal policy in particular continuing to pose upside risk to long-term interest rates in the US and neutral rates in emerging markets. At the same time, the structural characteristics and drivers of US economic growth raise questions about its sustainability and outlook, while the medium- and long-term implications of AI investments on economic growth, productivity, and consumption remain highly uncertain. Signs of weakening economic activity globally, particularly in the Eurozone and China, pose risks of slowing global demand conditions. Further, the growth outlook for key trading partner economies, especially Russia, continues to deteriorate, posing uncertainty around the outlook for external demand for Armenian goods and particularly services exports. While the inflationary environment in Russia has cooled significantly in recent months, uncertainty persists regarding the scale and pace with which inflation will durably return to target. Domestically, economic activity remains at a relatively high level, continuing to be driven by construction and services as well as the reemergence of certain short-term, non-structural growth factors. The structural characteristics of economic activity in turn poses uncertainty regarding the underlying strength of domestic demand conditions. Finally, concerns about the macroeconomic implications of a potential, gradual adjustment in the real estate market remain relevant, even as the latter continues to show signs of resilience in recent months, with property prices in Yerevan softening at a much more gradual pace. On the whole, I believe that many of the risks that had been discussed in prior rounds—especially the most dangerous tail risks—have somewhat softened. My vote reflects an assessment that the risks in both directions nonetheless continue to remain balanced, supporting my vote to leave the policy rate unchanged at 6.50%. In the event that new information or events emerge that require a reassessment of this balance of risks, I reaffirm my commitment to responding in an appropriate and timely manner to ensure that the price stability mandate is met.

Deputy Governor Armen Nurbekyan

Taking into account recent economic and financial developments in Armenia over the past few months, discussions with other members of the Board during the current policy cycle, as well as a thorough analysis of the main sources of risks and uncertainty, I voted in favor of keeping the policy rate unchanged. Significant uncertainty persists in both the external and domestic sectors of the economy. In the United States, economic activity has accelerated markedly, although it has exhibited a high degree of concentration. As a result, uncertainties remain regarding the sustainability of high economic growth and developments in asset prices. At present, the short-term effects of changes in tariffs on inflation dynamics are not material. At the same time, uncertainty regarding the long-term neutral interest rate in the United States persists, reflecting the medium-term outlook for the fiscal deficit and creating upward pressures on the neutral rate. In other major economies, particularly in the European Union and China, risks of a slowdown in economic activity continue to persist. In commodity markets, and especially in the oil market, downside risks to prices dominate, reflecting a slowdown in demand growth from China and sustained high levels of oil supply. In international financial markets a high level of investor risk appetite is evident, resulting in strong capital inflows to emerging market economies. In this context, I consider there to be a significant Case A-type risk that risk premia in emerging markets are currently compressed and may increase sharply. In the domestic economy, the acceleration of economic activity has been driven mainly by demand-side factors. The expansion of demand, along with high growth in lending, increases the likelihood of a positive output gap, which is an issue that should remain in focus in the context of accelerating core inflation dynamics. Fiscal policy represents one of the main Case A-type risks, particularly in the short term, due to the potential expansionary impact on demand and the possible increase in the risk premium associated with rising public debt. At the same time, Case B-type factors in the domestic economy mainly stem from a possible weakening of activity in the construction and mortgage markets, which has not materialized as of today. It should be noted that in recent months, activity in both construction and the mortgage market has grown significantly faster than expected. In summary, since the last policy decision, Case A-type risks have persisted in both the global and domestic economies. Taking into account the potential upward adjustment of the output gap and the risk of a higher neutral rate, the decision to keep the policy rate unchanged reflects the material likelihood of Case A-type scenarios, as well as the considerable economic costs that could arise from a policy error should these risks materialize.

Deputy Governor Hovhannes Khachatryan

Considering recent economic and financial developments in Armenia over the past few months, the discussions with other Board members during the policy cycle, as well as thorough analysis of the main sources of risks and uncertainty, I vote in favor of maintaining the policy rate unchanged. The long-run neutral interest rate in the US is highly likely settle at higher levels, driven by the large federal budget deficit, unsustainably rising public debt, and the current trade policy. Economic growth, investment, and the overheating in the securities market are largely concentrated among major technology companies, primarily driven by developments related to artificial intelligence projects. This creates risks of both a sharp acceleration in productivity growth and heightened volatility in the growth outlook. In other partner countries, including the EU, China, and Russia, risks of slowing economic activity persist or have deepened. In Russia's case, this is also accompanied by inflation remaining above target. Global prices for energy and other mineral commodities have stabilized. Therefore, risks of weak inflationary pressures and low external demand stemming from the external sector persist. Due to regional political developments, as well as the dynamics of public debt and the budget deficit, Armenia's country risk premium has gradually declined. Economic activity is concentrated in construction, the financial sector, and certain non-inclusive industries. In the domestic economy, B-type factors are primarily associated with a possible weakening in construction and mortgage market activity. Such a slowdown would affect rental prices, housing prices, as well as the dynamics of investment and employment. At the same time, relatively high levels of lending to construction companies as well as consumer lending continue to support domestic demand. Moreover, the Central Bank's adjustment of reserve requirement ratios, together with increased foreign investment in Armenia's government bond market, has exerted downward pressure on government bond yields and, going forward, on interest rates across other financial instruments as well. Overall, the output gap is closed, although there are both sectors that are rapidly expanding and sectors that are weakening. Retail trade continues to grow at a slow pace, while the pace of declines in unemployment and growth in real wages have slowed and stabilized. In summary, I consider A- and B-type risks in both the global and domestic economies to be broadly balanced. Considering the above, leaving the policy rate unchanged best minimizes the losses that could stem from potential policy errors.

Board Member Artak Manukyan

In forming an understanding of recent developments in the economic and financial sectors, I have reviewed various analyses characterizing these trends and have also assessed the main sources of potential risks and uncertainties. Based on this assessment, I voted in favor of keeping the refinancing rate unchanged. Based on the data analysis, I have concluded that domestic demand in Russia may weaken significantly, which increases the likelihood of the materialization of risks arising from the Case B scenarios. In the domestic economy, economic growth remains high, mainly driven by the services and construction. This is accompanied by an increase in aggregate demand, which is reflected in double-digit growth in lending volumes (especially consumer lending). Although the risks stemming from this are A-type, the likelihood of their materialization is not high. On the other hand, in the real estate market, the normal adjustment of prices is continuing. The labor market is also showing signs of stabilization. Inflation is still somewhat above the target. As a result of the introduction of comprehensive health insurance, fiscal and inflationary risks may emerge. At the same time, increased competition has led to a certain decline in energy prices, which may have a positive effect on pricing within domestic value chains. Positive developments regarding Armenia's risk premium appear to be becoming more long-term. Taking into account current inflation trends, ongoing economic developments and their macroeconomic outlook, as well as considerations related to underlying fundamentals, I assess that, guided by the principle of "least regret" at the present stage, it is appropriate to conduct a monetary policy that is aligned with market expectations. Accordingly, I voted in favor of keeping the interest rate unchanged. I confirm that, in order to ensure the achievement of the price stability objective, I will continue, in my capacity as a member of the Central Bank Board, to closely monitor economic development scenarios and, if necessary, take appropriate actions to ensure the inflation target (3%) is achieved over the medium term.

Board Member Levon Sahakyan

Having assessed economic developments, underlying fundamentals, and the main sources of risks and uncertainties during the current policy cycle, as well as taking into account market expectations, I voted in favor of keeping the policy interest rate unchanged. Inflationary pressures stemming from developments in advanced economies and global commodity markets are easing. Nevertheless, inflation in services and in goods characterized by relatively rigid prices remains elevated. Under these conditions, I believe that uncertainties surrounding the US Federal Reserve's policy rate will persist for a prolonged period. Despite the three most recent policy rate reductions, these developments are not yet fully reflected in bond markets, which further points to continued uncertainty regarding the long-term level of the US policy rate. Domestic economic activity continues to remain elevated, with a significant contribution stemming from the recovery of certain non-structural factors. Economic growth is close to its long-term potential. Strong growth in lending volumes persists, and some signals of increased demand in the real estate market are also observed. At the same time, a certain slowdown in retail trade dynamics may indicate risks of a potential weakening in domestic demand conditions. On the other hand, recent developments in the country risk premium and government bond yields create preconditions for the formation of market interest rates at lower levels. Among Case B-type risks, I continue to

emphasize the management of potential macroeconomic implications arising from rapid adjustments in the real estate market and the construction sector. However, recent developments suggest a moderation in signals pointing to the materialization of such risks. In addition, the potential transmission of a weakening in external demand to the domestic economy remains an important consideration from the perspective of managing Case B-type risks. Overall, balancing risks in both directions, I voted in favor of maintaining the policy interest rate unchanged, consistent with the path implied by market expectations. In my assessment, under the current balance of risks, this stance is necessary to ensure the achievement of the price stability objective.

Board Member Narek Ghazaryan

Taking into account the discussions held with other members of the Board during the policy decision cycle, the analysis of current economic developments and underlying fundamentals, as well as a comprehensive assessment of key risks and sources of uncertainty, I voted in favor of keeping the policy rate unchanged at 6.5 percent. My decision is based on the firm belief that, over the monetary policy horizon, the inflationary and disinflationary effects associated with the materialization of both Case A and Case-B type risk scenarios remain moderate and balanced in terms of their ultimate impact. Turning to Case A-type risks over the policy horizon, inflation in several systemically important economies, including the United States, the United Kingdom, and a number of euro area countries, as well as Armenia's trading partner, Russia, remains above target as of December this year, thereby sustaining the risk of further acceleration. Risks to an increase in global oil prices also persist, driven by the potential escalation of geopolitical tensions in the region. However, it should be noted that, compared to previous periods, Case A-type inflationary risks originating from international food markets have declined significantly. Turning to inflationary risks stemming from developments in Armenia's domestic economy, I would note that in 2026 the Armenian economy continues to exhibit high economic activity, driven primarily by optimistic expectations among households and firms, strong external demand for goods and services produced in export-oriented sectors, as well as the fiscal and monetary stimulus provided to the economy over the course of the previous year. Should these supportive conditions persist or intensify, the inflationary environment observed in the domestic economy could continue to broaden. In addition, in the context of positive developments aimed at normalizing relations between Armenia and neighboring countries, a further acceleration in investment and overall economic activity is expected, which may entail additional inflationary risks over the medium term. Over the monetary policy target horizon, a number of Case B-type risks are also present. In particular, a sharp correction in potentially overvalued asset prices in the US economy remains a plausible risk. If accompanied by a decline in confidence among economic agents, such a correction could adversely affect global demand, ultimately generating moderate disinflationary risks for Armenia's economy. At the same time, the persistently low inflation environment in China, together with the continuation of policies aimed at expanding export markets through price competitiveness, could further intensify disinflationary pressures in several economic regions relevant to Armenia. In Russia, economic activity has been steadily slowing since the second half of 2025; if this slowdown deepens, monetary flows from Russia to Armenia would decline, thereby intensifying potential disinflationary pressures. Among domestically driven Case B-type risks, it is notable that a continued decline in the neutral interest rate cannot be ruled out. This would reflect a further potential reduction in Armenia's country risk premium, as well as a sustained appreciation of the real effective exchange rate, driven by ongoing growth in exports and capital inflows to Armenia. At the same time, the risk of a rapid correction following a period of elevated activity in the real estate market remains relevant. Should such a scenario materialize, aggregate domestic demand would slow markedly, generating disinflationary pressures. That said, the continued strength of domestic economic activity has reduced the risk of an abrupt adjustment in real estate prices and activity compared with previous monetary policy decision cycles. Weighing the Case A and Case B-type risks described above, I am convinced that it is appropriate to keep the refinancing rate unchanged at its current level of 6.5 percent, with the aim of maintaining inflation close to the Central Bank's target over the medium term. I reaffirm my commitment to the price stability objective and stand ready to respond with appropriate actions to any new information that may pose risks to achieving the 3 percent inflation target and maintaining price stability over the medium-term horizon.

Board Member Armen Ktoyan

My decision is based on the assumption that risks arising from Type-A and Type-B scenarios are broadly balanced. Thus, among the risks characteristic of Case A-type scenarios, I would first highlight the increase in uncertainty surrounding the growth of the debt burden in the United States as a result of a reassessment of fiscal policy frameworks. This may contribute to an increase in the neutral interest rate in the United States, thereby creating similar risks on the neutral interest rate in Armenia. In the context of continued uncertainty regarding the resolution of the Russia-Ukraine conflict, the prolonged duration and potential further tightening of sanctions imposed on Russia have expanded the possibility of additional capital inflows into the Armenian economy, which could support demand expansion and activate additional inflationary risks. In addition, there is an accumulation of stagflationary risks in the Russian economy, which, under conditions of ruble appreciation, may generate significant inflationary pressures in the Armenian economy. Moreover, it should not be overlooked that the accumulation of savings and the growth of wealth in the private sector, in combination with other factors, may contribute to an expansion of demand conditions over the

medium term. I also consider it likely that fiscal policy may assume a more expansionary stance than expected, particularly in the context of the introduction of the comprehensive health insurance program, which entails risks of domestic demand expansion. In the context of risks arising from Type-B scenarios, among external factors I would primarily highlight the weakening demand and slowdown in real income growth in the Russian economy, which may lead to a decline in demand for Armenian goods and services. With regard to domestic economic developments, I emphasize the persistent structural characteristics of growth and its concentration in a limited number of sectors, which under conditions of a gradual adjustment in the construction sector and real estate prices, can generate risks of weakening demand and the formation of disinflationary effects in related sectors of the economy. In global food and energy markets, disinflationary trends have persisted in recent months.

The output gap is close to the neutral level, and in my assessment, uncertainties in both the upside and downside directions are balanced and do not allow for well-founded judgments about a pronounced shift in either direction in the near term. Based on the overall assessment of the arguments presented, I voted in favor of keeping the policy rate unchanged.

