

FINANCIAL ANALYSIS OF ARMENIAN BANKING SECTOR 1Q 2024

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Executive summary

The purpose of this article is to analyze major financial indicators of Armenian banking sector for 1Q - 2024.

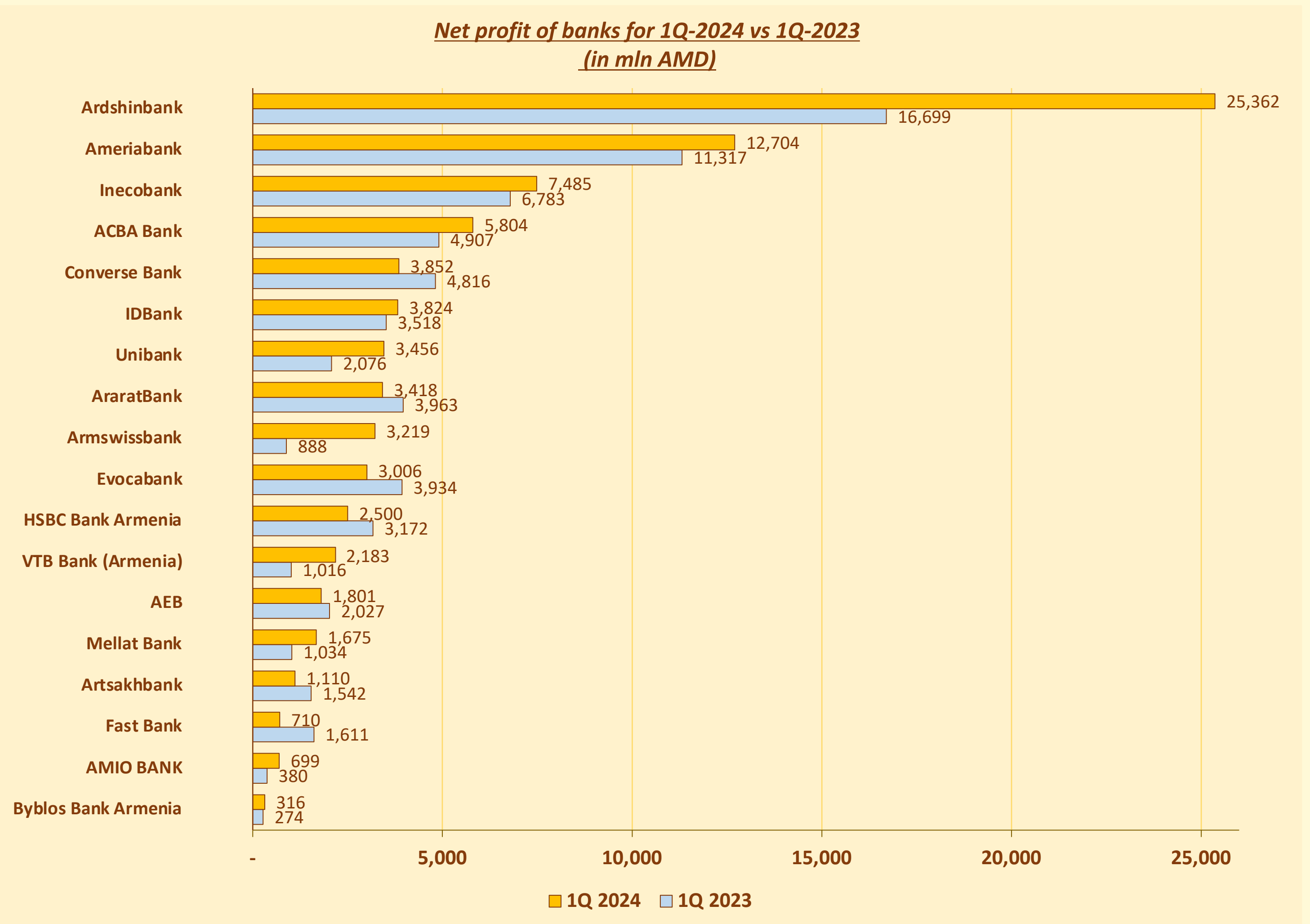
Following major components are analyzed

- ***Net Profit, Total assets, total liabilities and equity,***
- ***Total loan portfolio,***
- ***Financial resources attracted from clients (corporate and retail), including issued bonds.***

Published financial statements of Armenian banks were used for the preparation of this article.

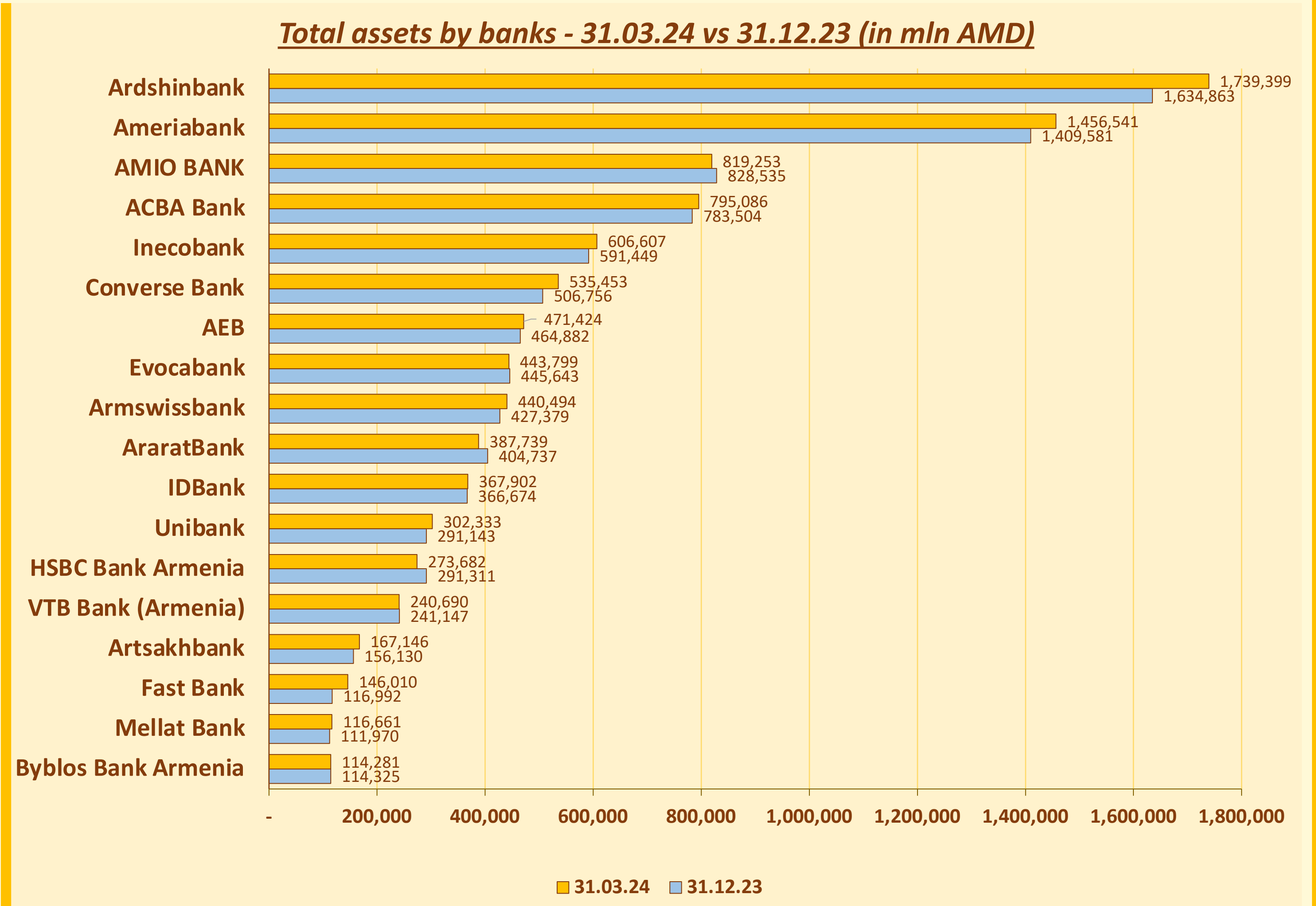
Net profit analysis

- Total net profit of all Armenian banks for 1Q 2024 was equal to **83 bln AMD**, which is by **13 bln AMD**, or by **19%** more than was recorded during 1Q 2023.
- The largest profit was recorded by Ardshinbank, amounting to **25,4 bln AMD**.



Total assets

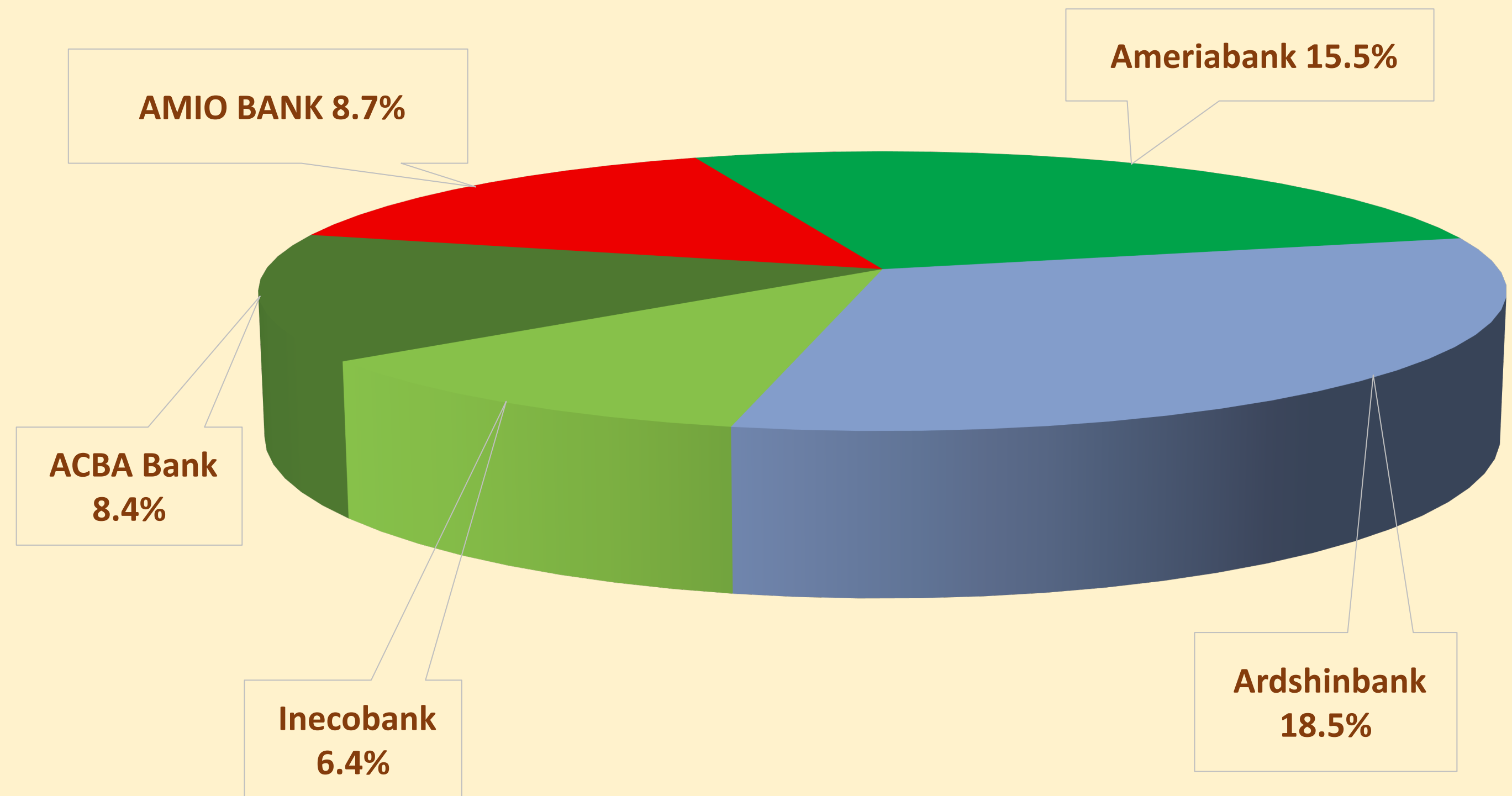
- During 1Q 2024, total assets of banking sector are increased by **237,5 bln AMD** or by **2,6%**.
- As of 31.03.2024, total assets are amounting to **9,425 bln AMD**.



Total assets

- Market share of largest 5 banks (Ardshinbank, Ameriabank, AMIO Bank, ACBA Bank and Inecobank) by total assets, is **57.5%**.
- Market share of largest 3 banks (Ardshinbank, Ameriabank, and AMIO Bank) by total assets, is **42.6%**.
- Ardshinbank has the largest market share – **18.5%**.

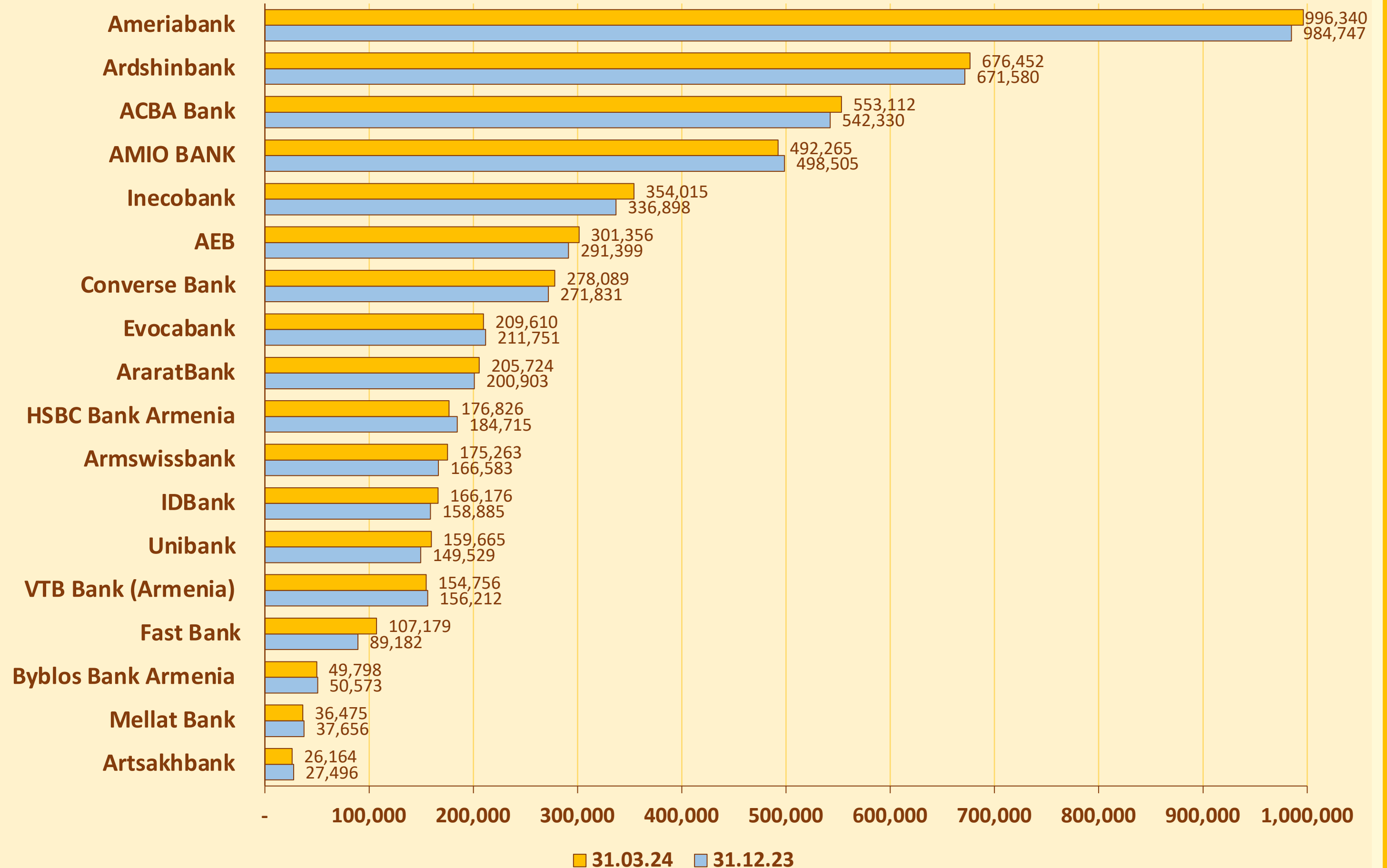
Concentration of total assets by banks as of 31.03.24 (in %)



Total loan portfolio

- Total loan portfolio of banking sector during 1Q 2024 is increased by **1.8%**.
- As of 31.03.2024, total loan portfolio is amounting to **5.119 bln AMD** and its share in total assets is **54%**.
- Mentioned total loan portfolio includes retail and corporate loan portfolios.

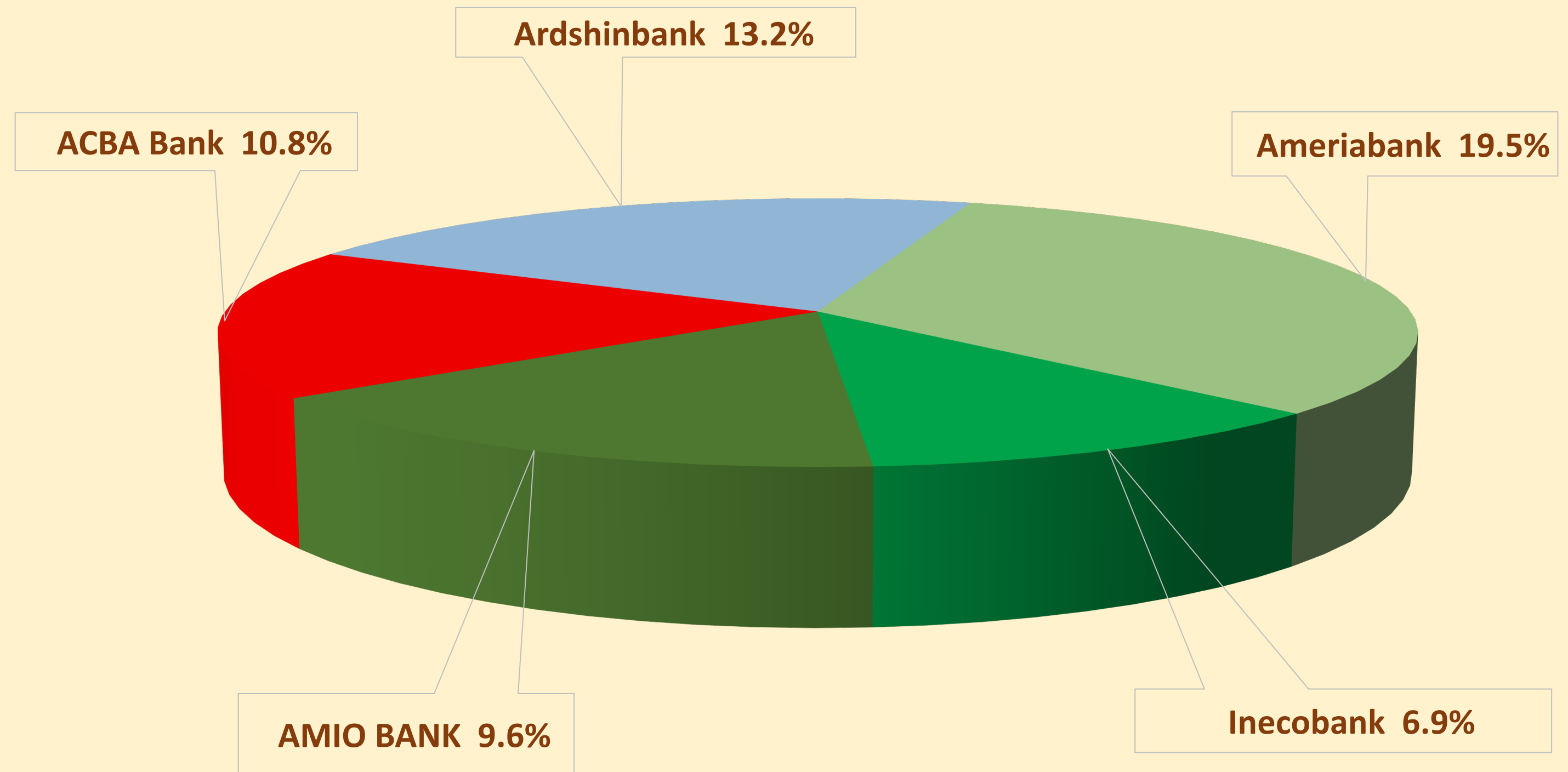
Loan portfolio dynamics for 1Q-2024 (in mln AMD)



Total loan portfolio

- Market share of largest 5 banks (Ameriabank, Ardshinbank, ACBA Bank, AMIO Bank and Inecobank) by total loan portfolio, is **60%**.
- Market share of largest 3 banks (Ameriabank, Ardshinbank and ACBA Bank) by total loan portfolio is **43.5%**.
- By loan portfolio, Ameriabank has the largest market share – **19.5%**.

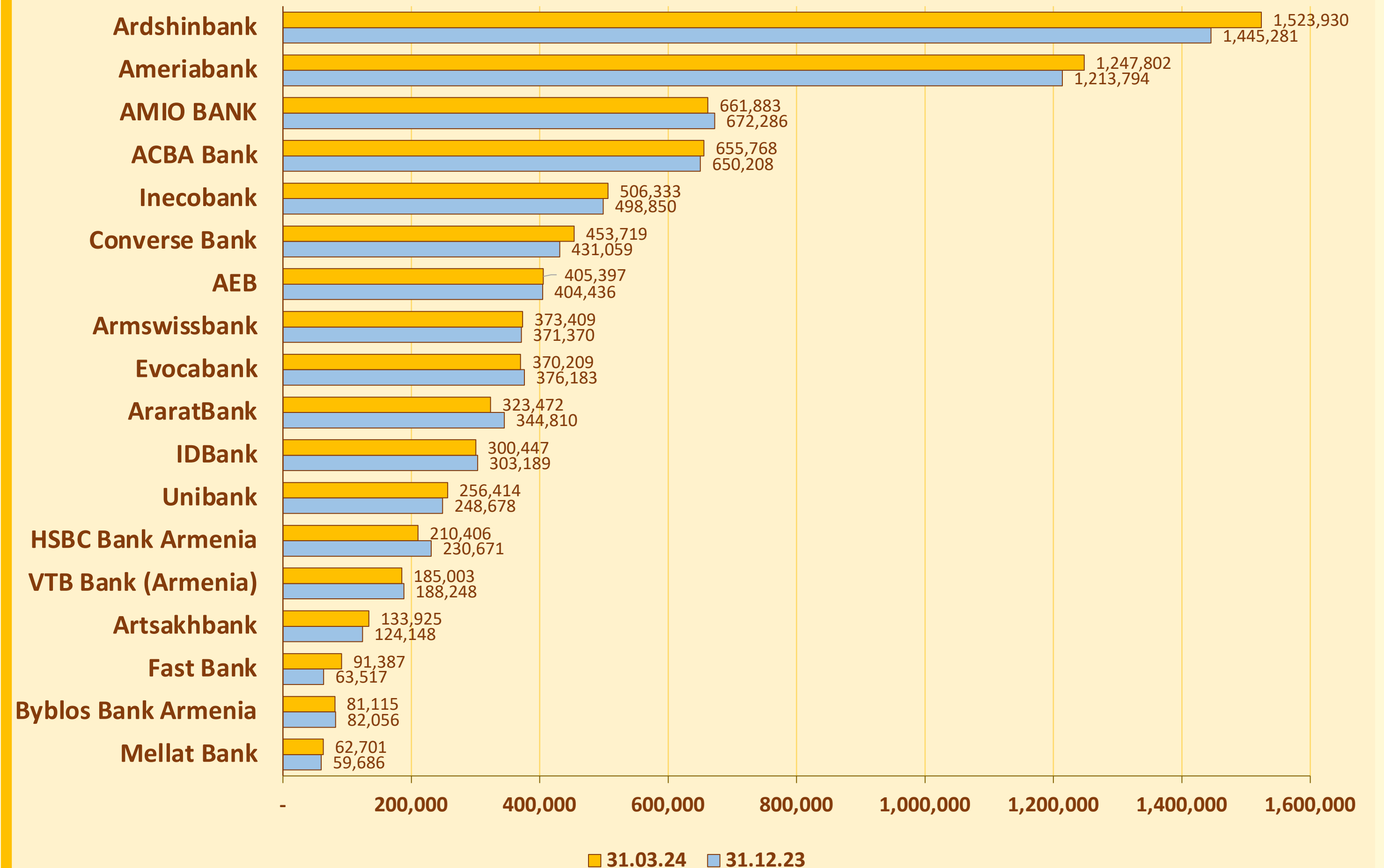
Concentration of total loan portfolio as of 31.03.24 (in %)



Total liabilities

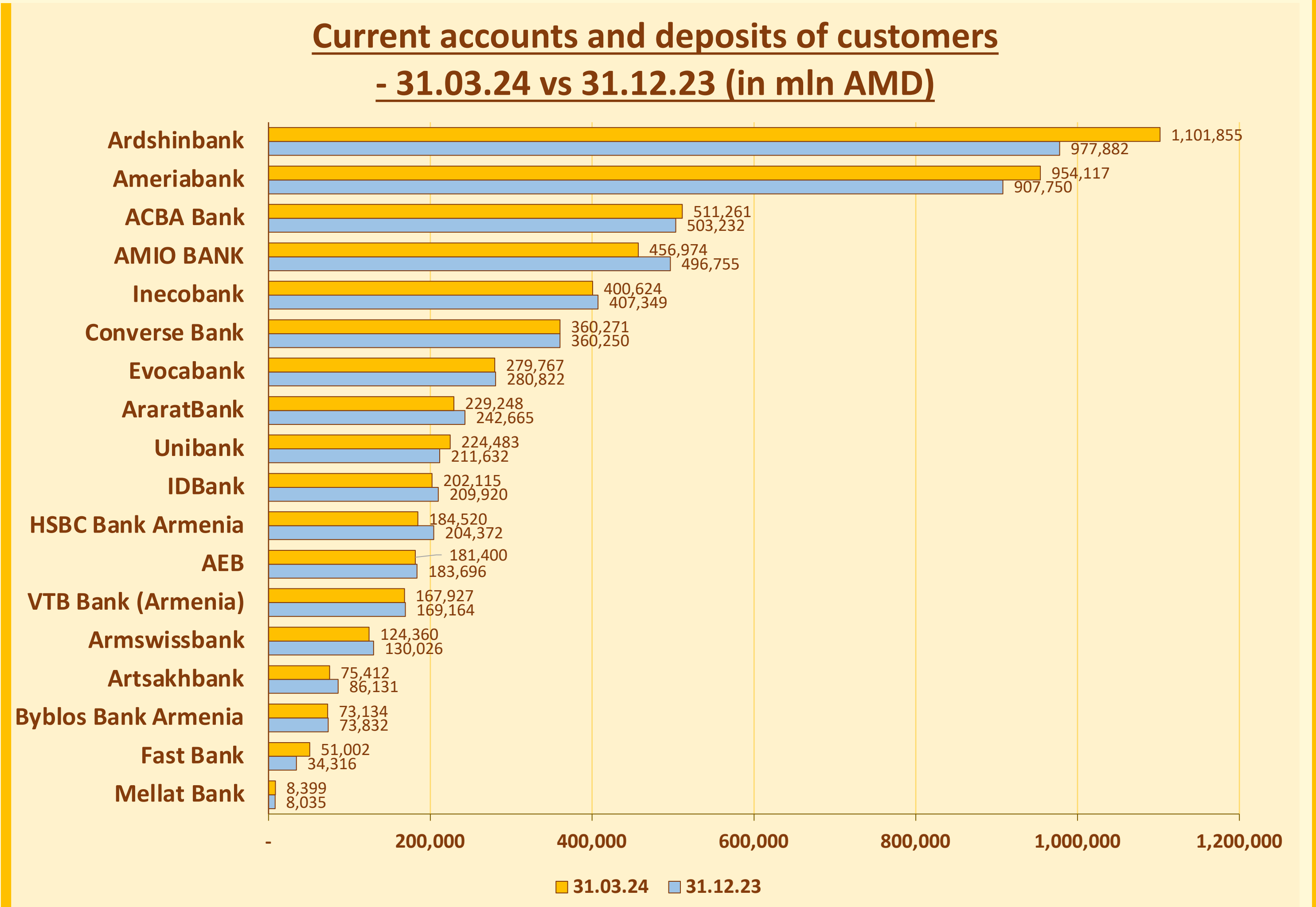
- During 1Q 2024, total liabilities of banking sector are increased by **135 bln AMD** or by **1.7%**.
- As of 31.03.2024, total liabilities are amounting to **7.843 bln AMD**.

Total liabilities by banks - 31.03.24 vs 31.12.23 (in mln AMD)



Current accounts and deposits from customers

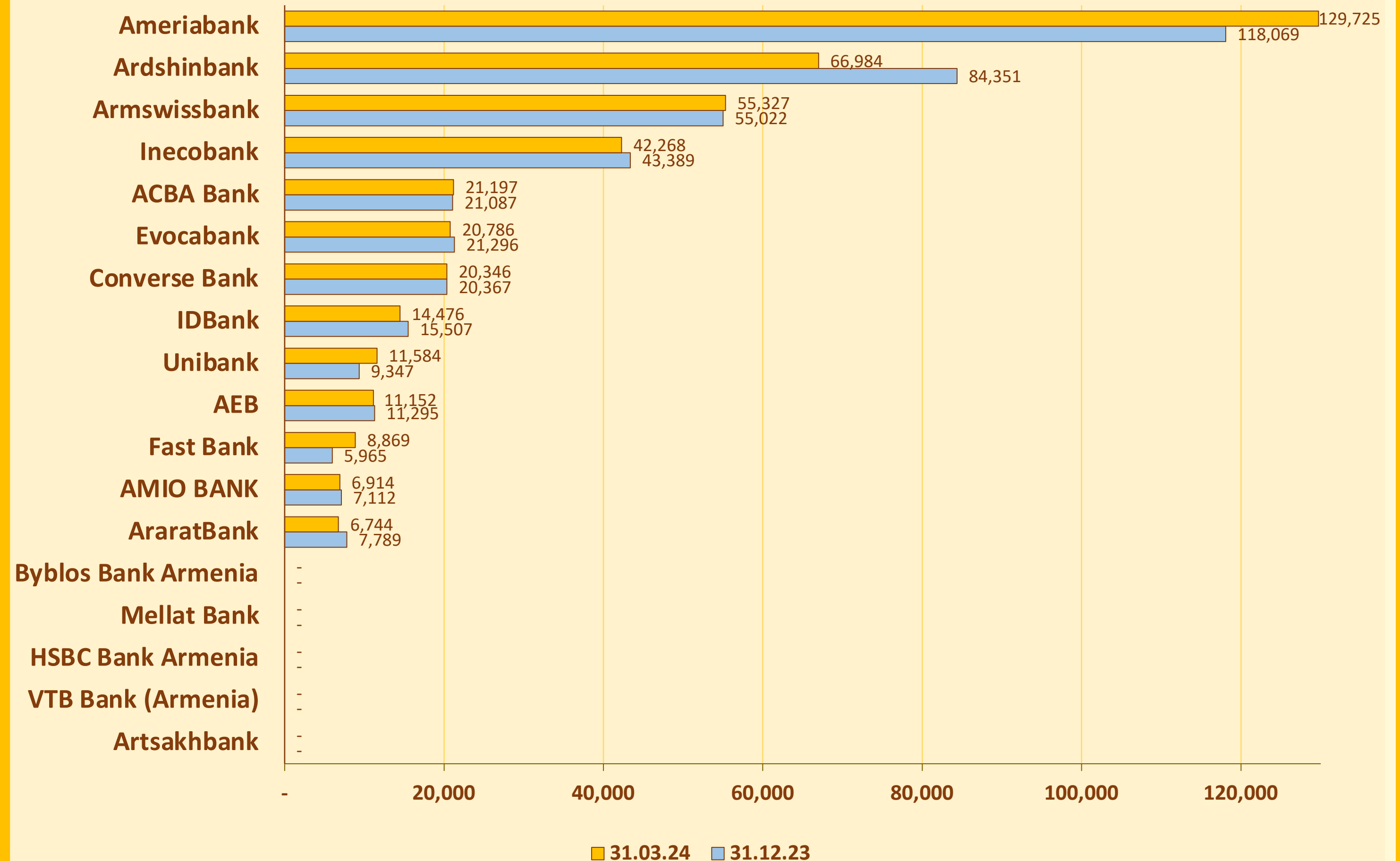
- During 1Q 2024, total balance of current accounts and deposits of retail and corporate clients of banking sector is increased by **99 bln AMD** or by **1.8%**.
- As of 31.03.2024, total balance of current accounts and deposits of retail and corporate clients is amounting to **5.587 bln AMD** and its share in total liabilities is **71%**.



Bonds

- During 1Q 2024, total balance of bonds issued by Armenian banks is slightly decreased by **4 bln AMD**, or **1%**.
- Currently **13** from total **18** banks, have issued bonds. Majority of bonds are listed on Armenian Stock Exchange.

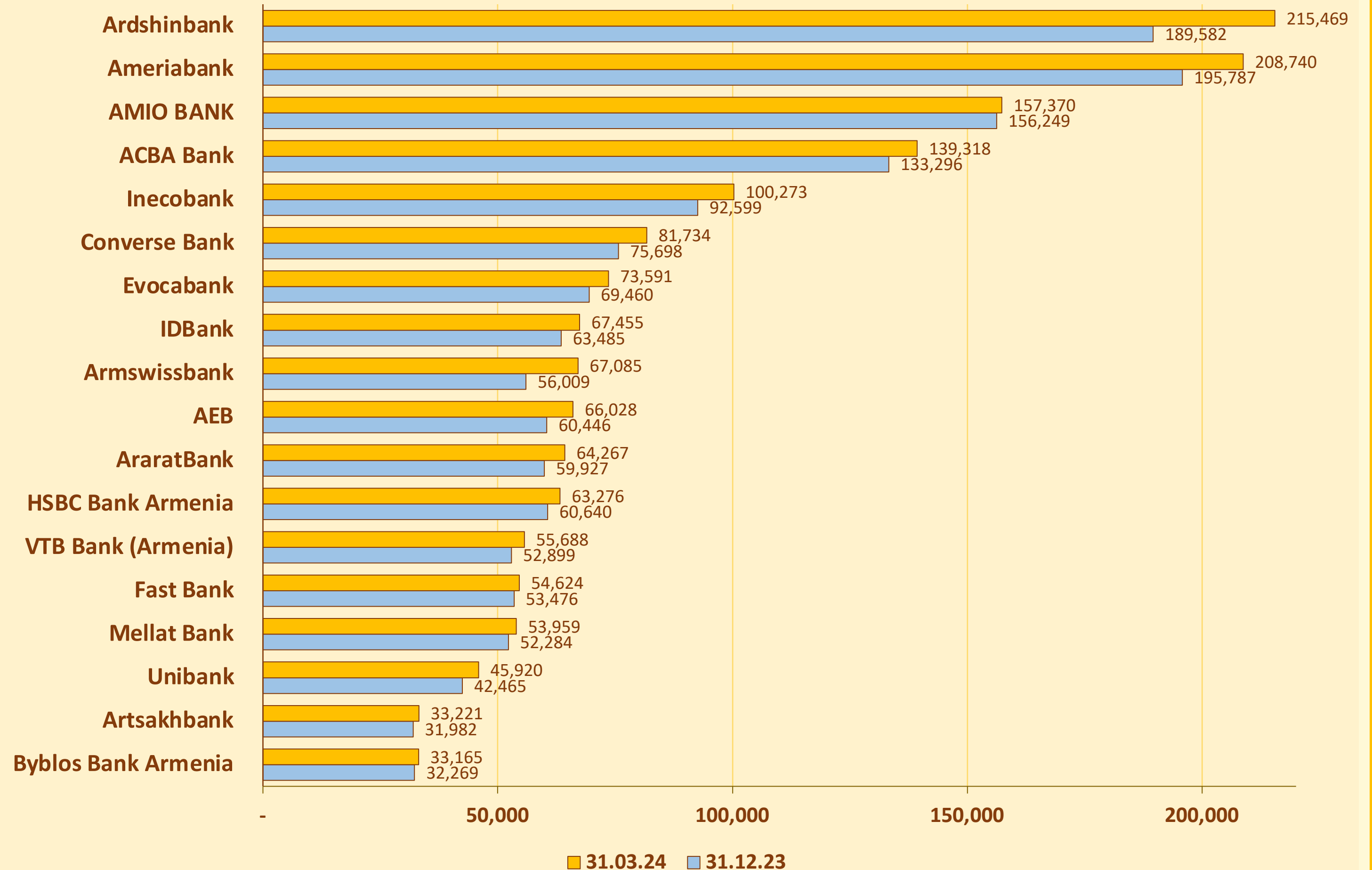
Balances of bonds issued by banks - 31.03.24 vs 31.12.23 (in mln AMD)



Total Equity

- During 1Q 2024, Total Equity of Armenian banking sector is increased by **103 bln AMD**, or by **6.9%** and is amounting to **1.581 bln AMD**.
- This increase is mainly due to generated net profit during 1Q 2024 = **83 bln AMD**.

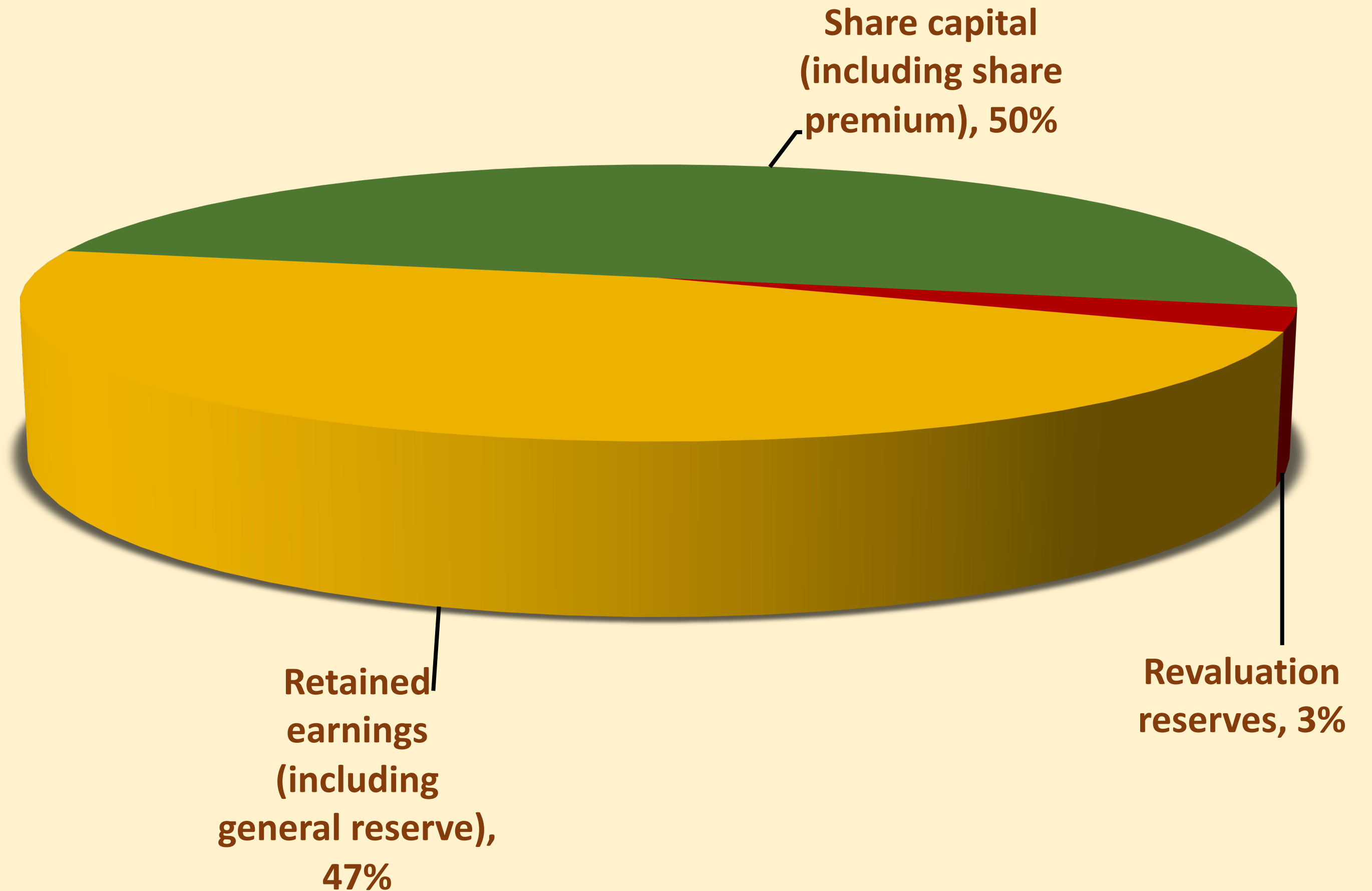
Total equity by banks - 31.03.24 vs 31.12.23 (in mln AMD)



Total Equity

- The major component of total equity of Armenian banking sector is **Share Capital (including share premium)**, with the share of **50%** and is amounting to **791 bln AMD** as of 31.03.2024.
- In 1Q 2024, the Share capital of Ardshinbank was increased by **50,23 bln AMD**, from retained earnings.
- Second largest component - **Retained Earnings (including general reserve)** with the share of **47%** and is amounting to **746 bln AMD** as of 31.03.2024.
- **Revaluation Reserves (mainly PPE and Financial Assets revaluation reserves)** have share of **3%** and are amounting to **44 bln AMD** as of 31.03.2024.

Components of Total Equity as of 31.03.24



RUMELS Management Solutions

1 Amiryan Str., (office N320),
0010, Yerevan, Republic of Armenia

Tel: +374 60 73 79 09

Email: info@rumels.am

Website: www.rumels.am