

# **FINANCIAL ANALYSIS OF ARMENIAN BANKING SECTOR 12 months 2024**

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# Executive summary

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

Following major components are analyzed

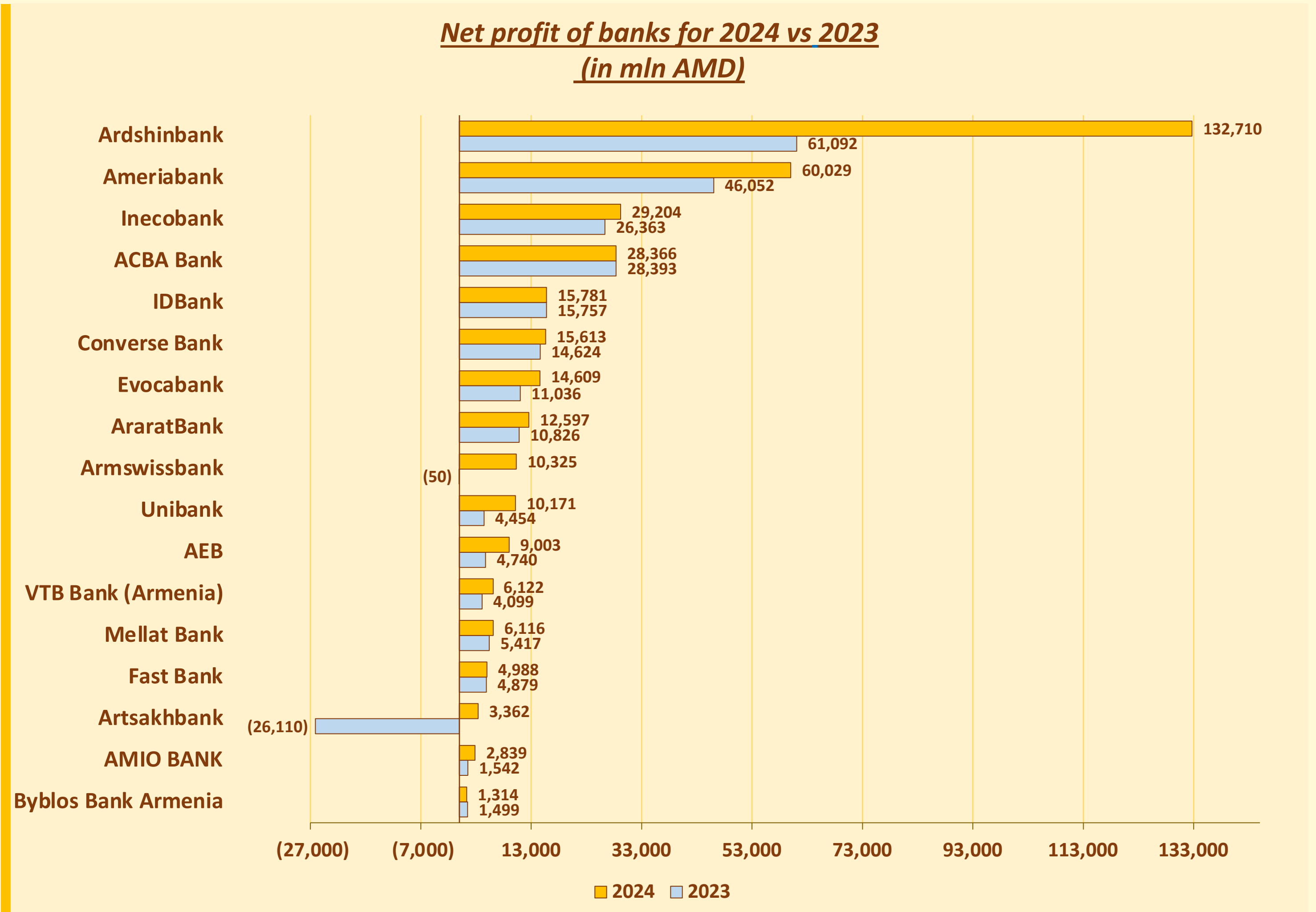
- ***Net Profit, Total assets, total liabilities and equity,***
- ***Total loan portfolio,***
- ***Financial resources attracted from clients (corporate and retail), including issued bonds.***

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

In 2024, Ardshinbank acquired 100% of the shares of HSBC Armenia Bank. The bank was renamed to Ardshininvestbank. Thus, the consolidated financial statements of Ardshinbank were used in this analysis.

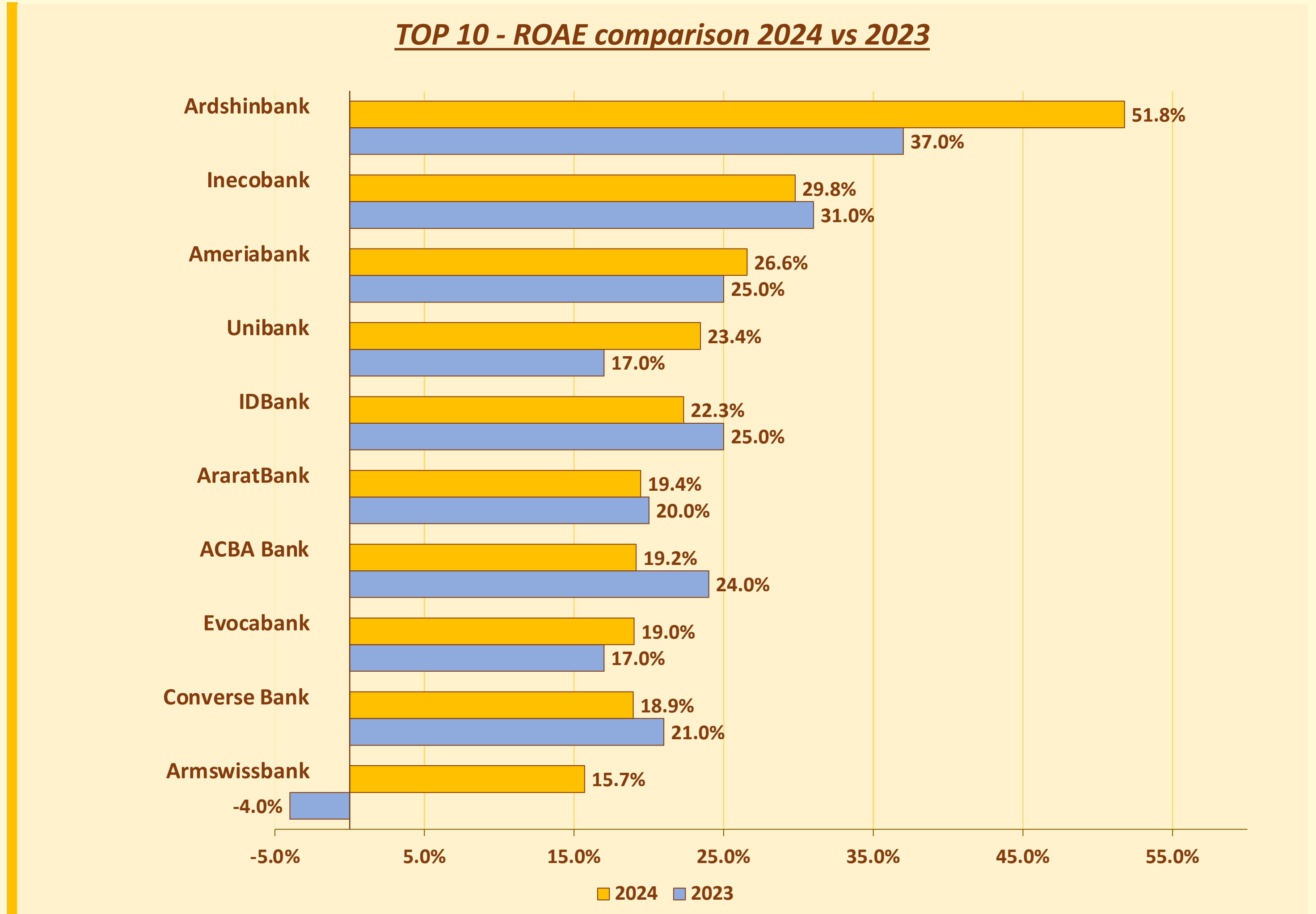
## Net profit analysis

- Total net profit of all Armenian banks for 2024 was equal to **363 bln AMD**, which is by **149 bln AMD**, or by **61%** more than was recorded during 12 months of 2023.
- The largest profit was recorded by Ardshinbank, amounting to **133 bln AMD**. In 2024, Ardshinbank acquired 100% of the shares of HSBC Armenia Bank. The bank was renamed to Ardshininvestbank. Thus, the consolidated financial statements of Ardshinbank were used in this analysis.



# ROAE

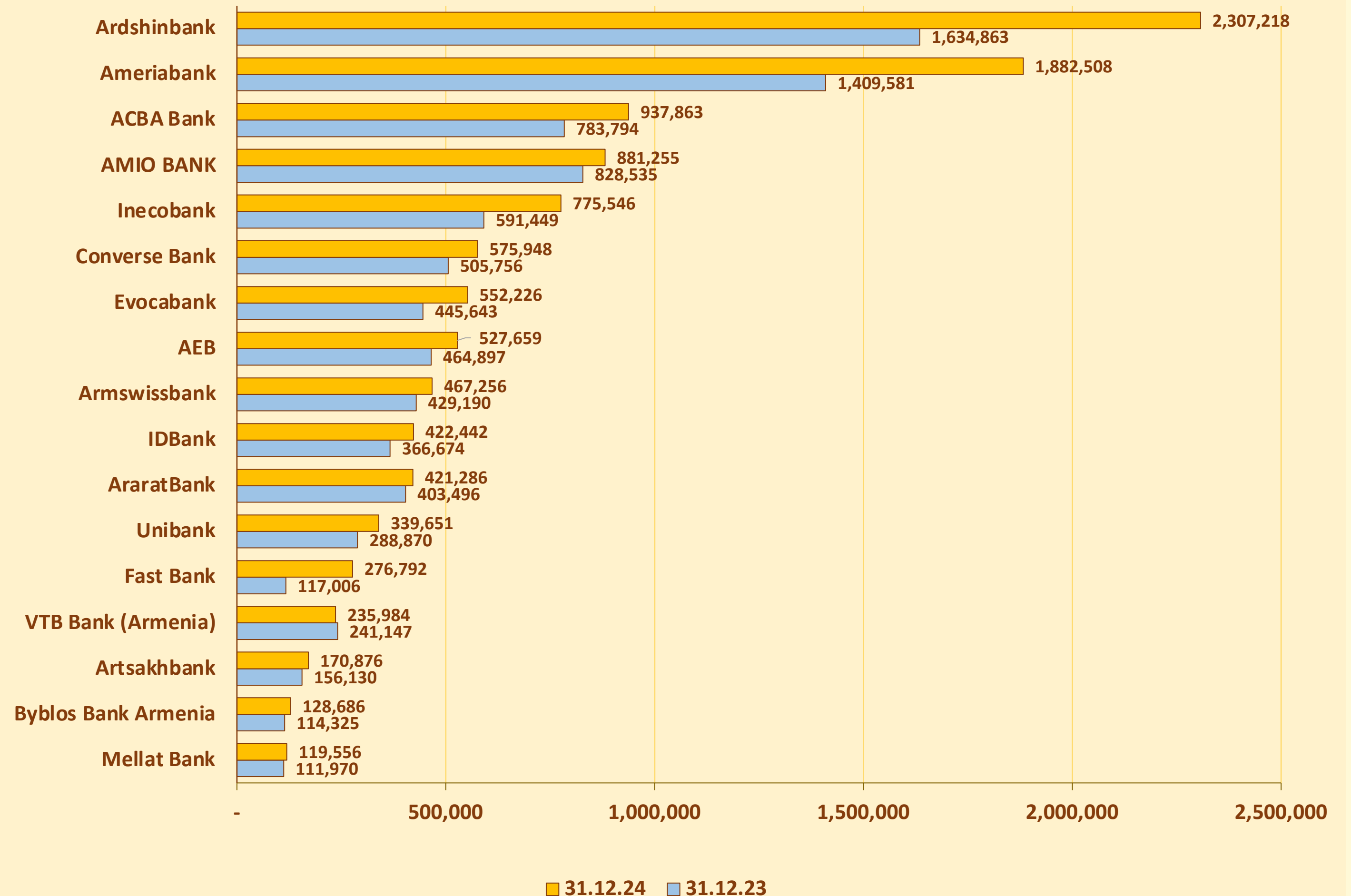
- In 2024, the ROAE of banking sector of Armenia was equal to 22,3% (in 2023 = 16,5%).
- The largest ROAE was recorded by Ardshinbank = 51,8%.



## Total assets

- During for 2024, total assets of banking sector are increased by **1,838 bln AMD** or by **20%**.
- As of 31.12.2024, total assets are amounting to **11,022 bln AMD**.

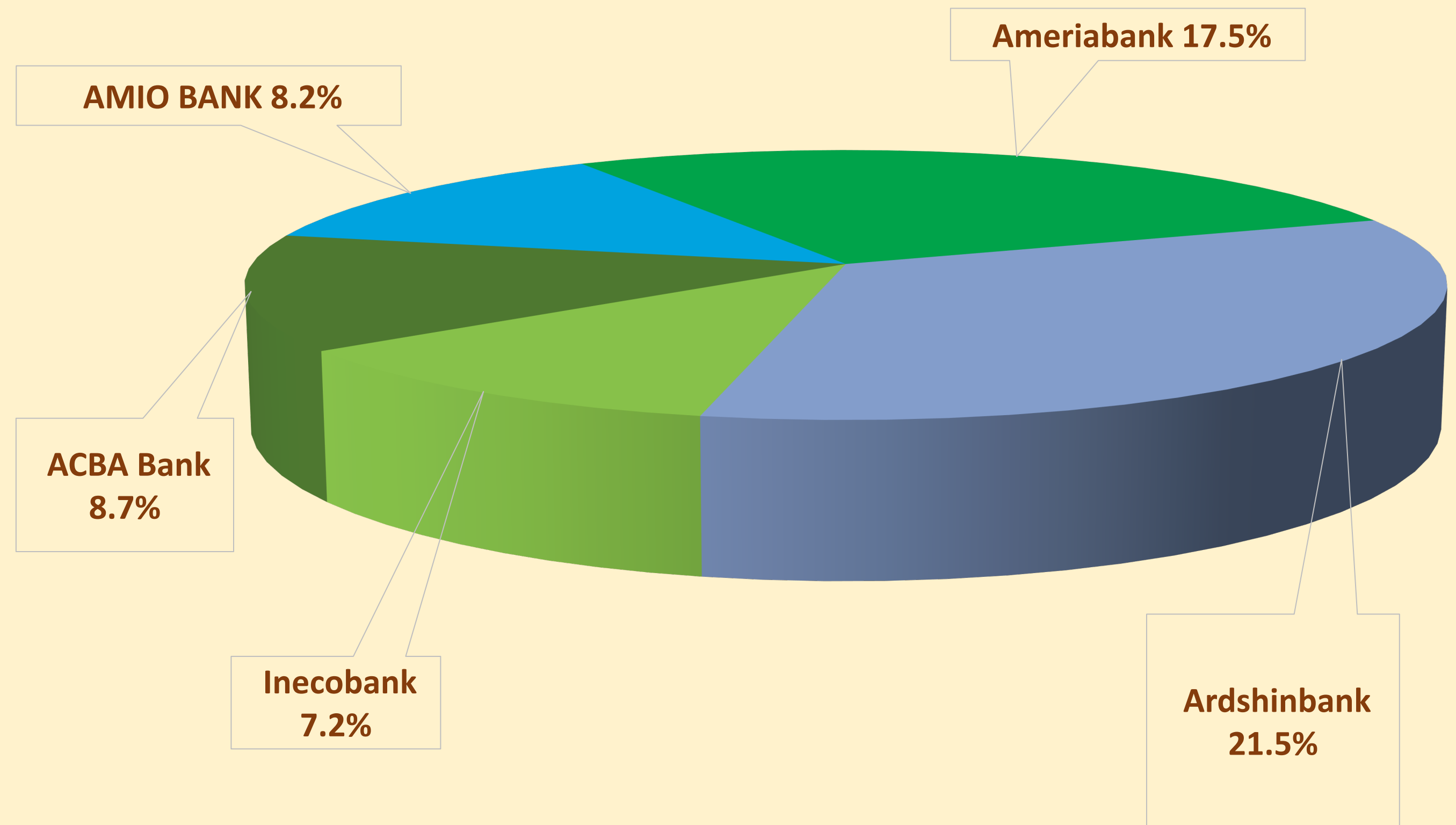
***Total assets by banks - 31.12.24 vs 31.12.23 (in mln AMD)***



## Total assets

- Market share of largest 5 banks (Ardshinbank, Ameriabank, ACBA Bank, AMIO Bank, and Inecobank) by total assets, is **61,5%**.
- Market share of largest 3 banks (Ardshinbank, Ameriabank, ACBA Bank) by total assets, is **46.5%**.
- Ardshinbank has the largest market share – **21,5%**.

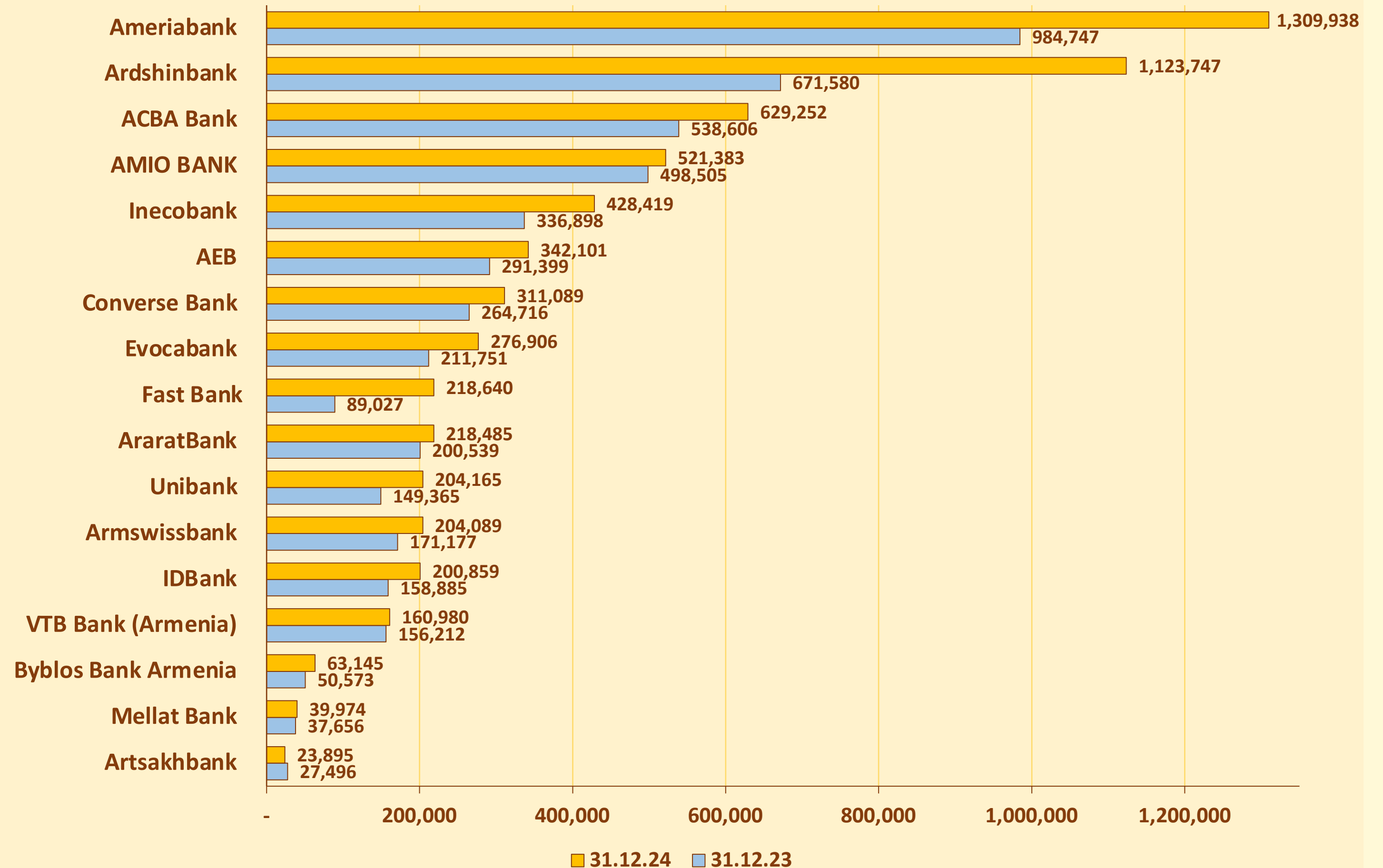
Concentration of total assets by banks as of 31.12.24 (in %)



## Total loan portfolio

- Total loan portfolio of banking sector during 2024 is increased by **25%**.
- As of 31.12.2024, total loan portfolio is amounting to **6.277bln AMD** and its share in total assets is **57%**.
- Mentioned total loan portfolio includes retail and corporate loan portfolios.

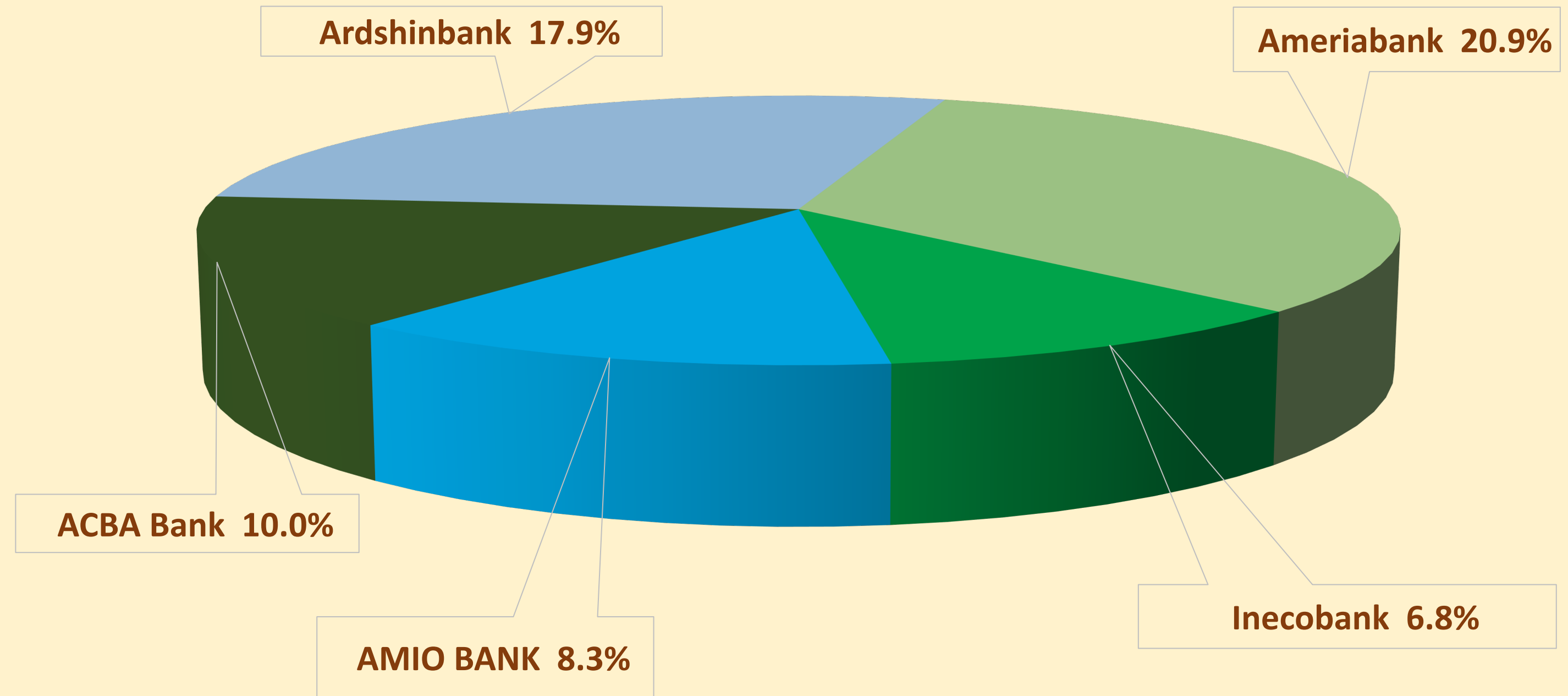
### Loan portfolio dynamics for 2024 (in mln AMD)



## Total loan portfolio

- Market share of largest 5 banks (Ameriabank, Ardshinbank, ACBA Bank, AMIO Bank and Inecobank) by total loan portfolio, is **64%**.
- Market share of largest 3 banks (Ameriabank, Ardshinbank and ACBA Bank) by total loan portfolio is **48,9%**.
- By loan portfolio, Ameriabank has the largest market share – **20,9%**.

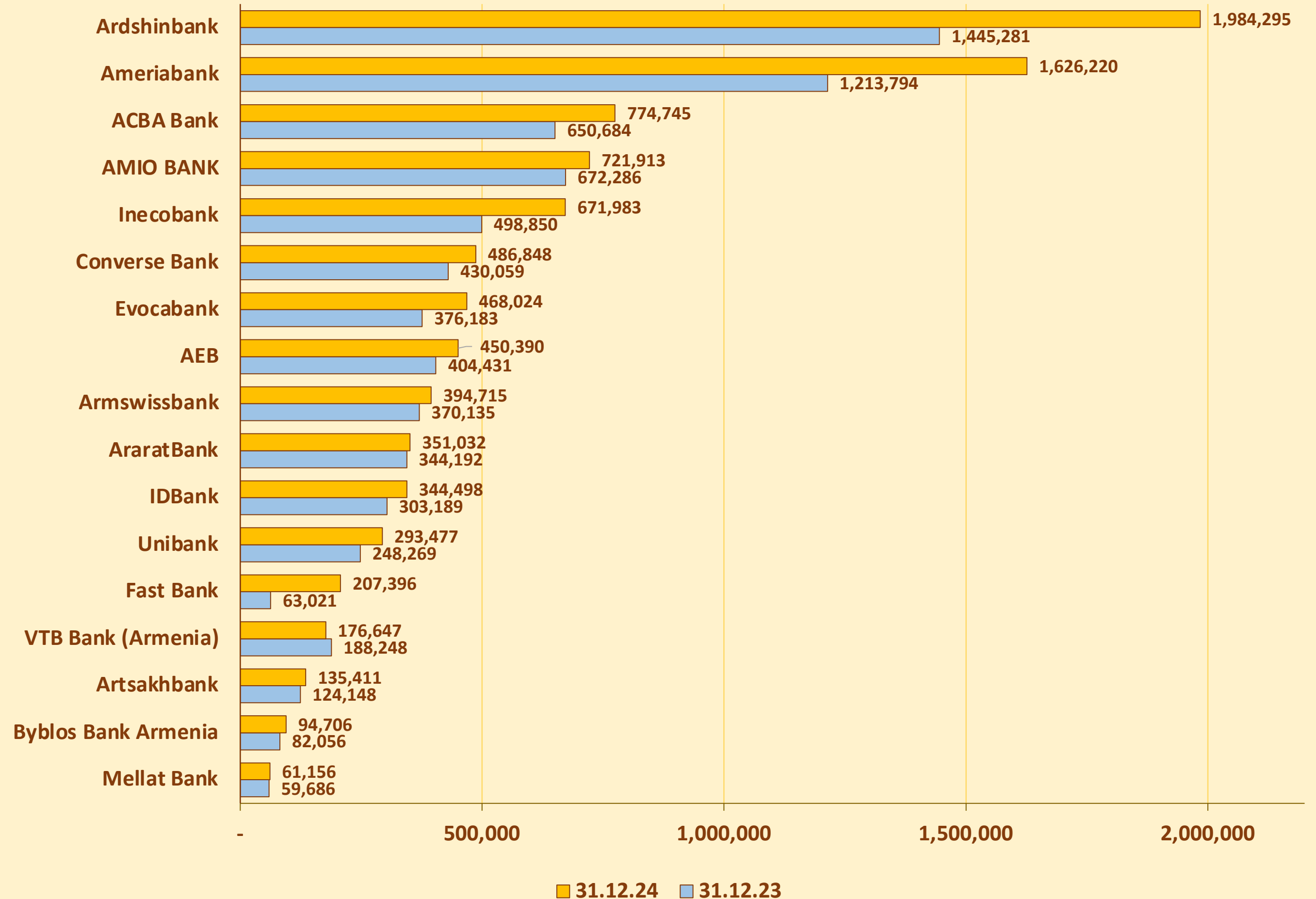
Concentration of total loan portfolio as of 31.12.24 (in %)



# Total liabilities

- During 2024, total liabilities of banking sector are increased by **1.538 bln AMD** or by **20%**.
- As of 31.12.2024, total liabilities are amounting to **9.243 bln AMD**.

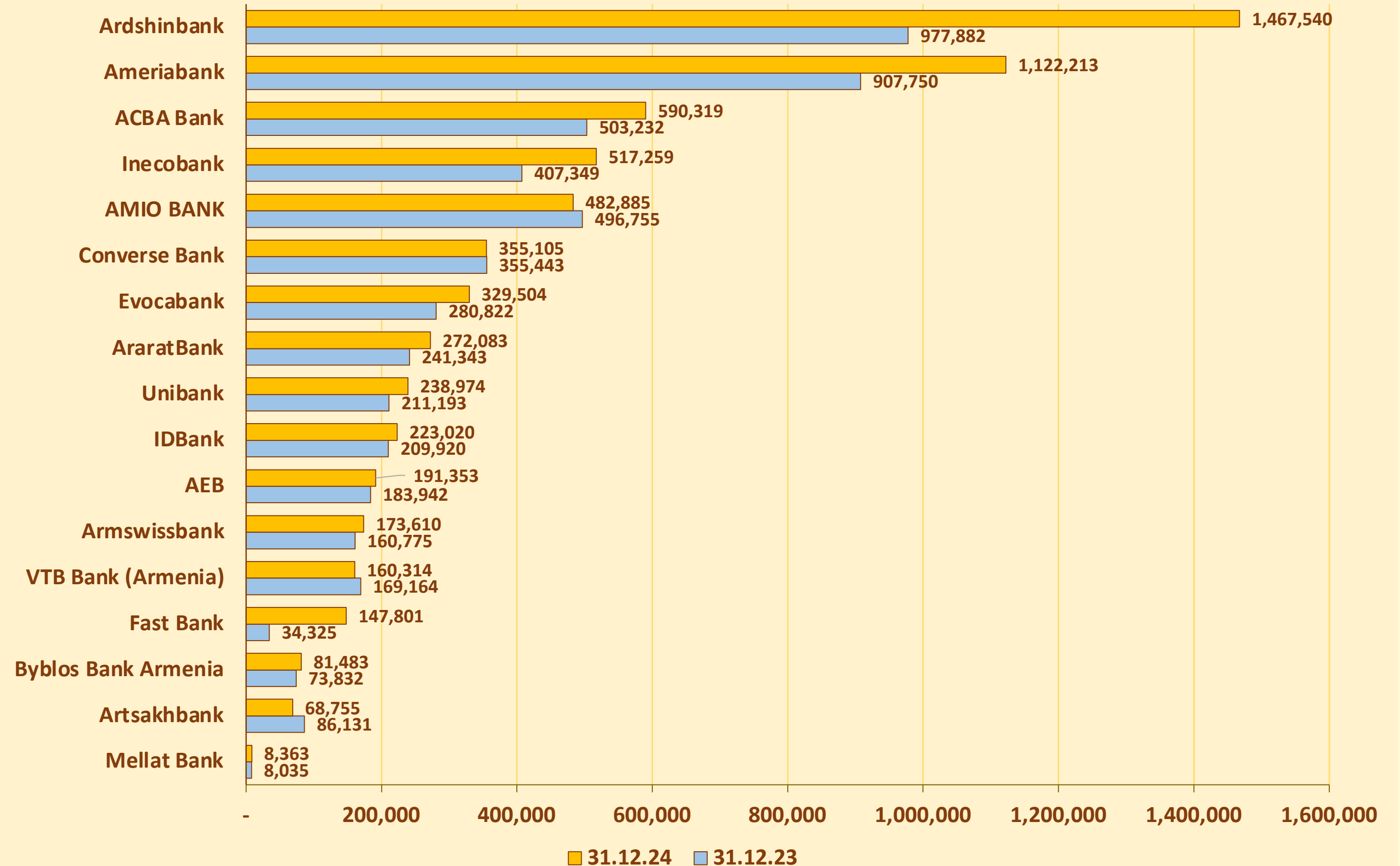
**Total liabilities by banks - 31.12.24 vs 31.12.23 (in mln AMD)**



## Current accounts and deposits from customers

- During 2024, total balance of current accounts and deposits of retail and corporate clients of banking sector is increased by **918 bln AMD** or by **17%**.
- As of 31.12.2024, total balance of current accounts and deposits of retail and corporate clients is amounting to **6.431 bln AMD** and its share in total liabilities is **70%**.

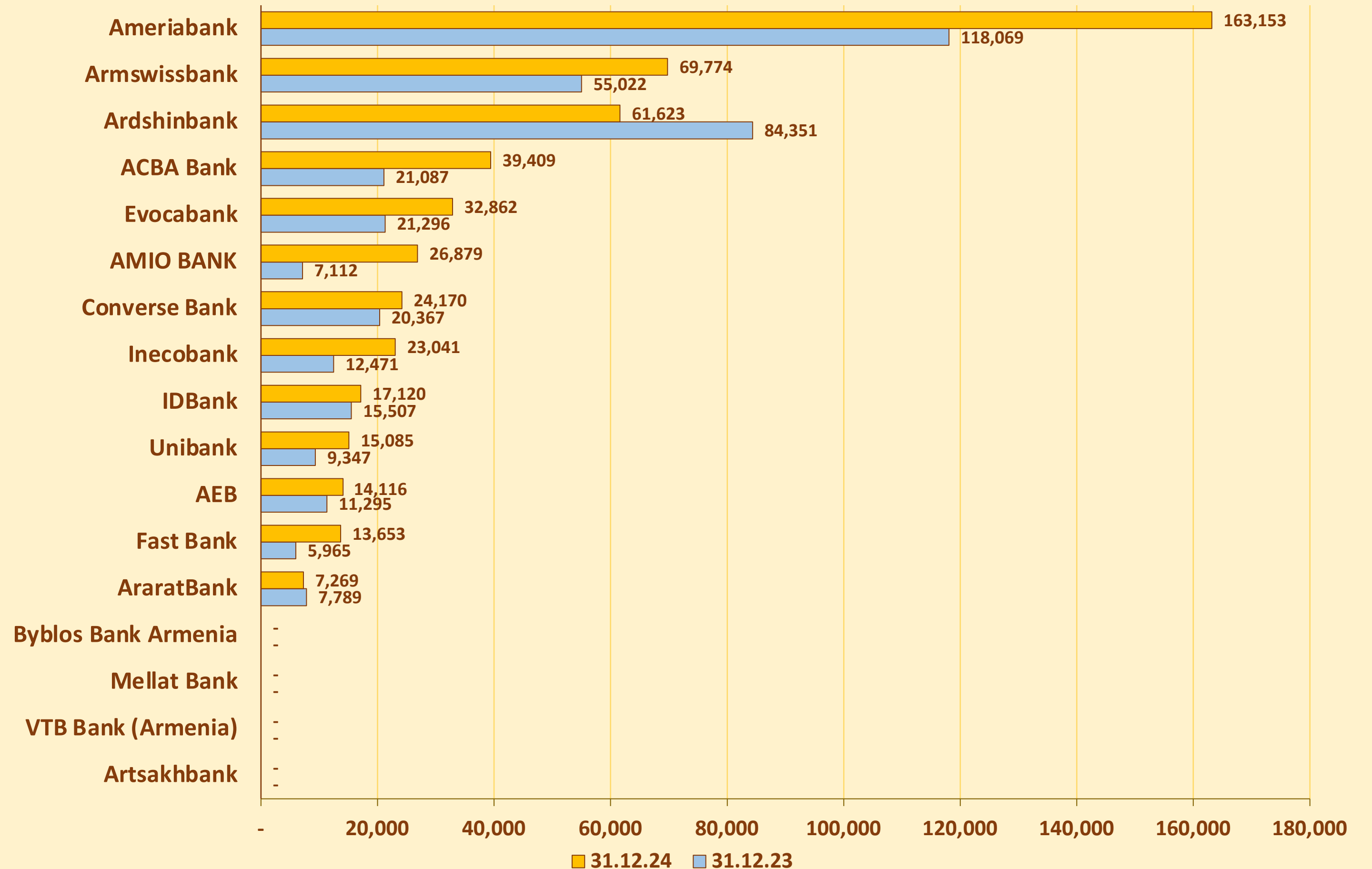
## Current accounts and deposits of customers - 31.12.24 vs 31.12.23 (in mln AMD)



## Bonds

- During 2024, total balance of bonds issued by Armenian banks is increased by **118 bln AMD**, or **30%** and is amounting to **508 bln AMD**.
- Currently **13** from total **18** banks, have issued bonds. Majority of bonds are listed on Armenian Stock Exchange.

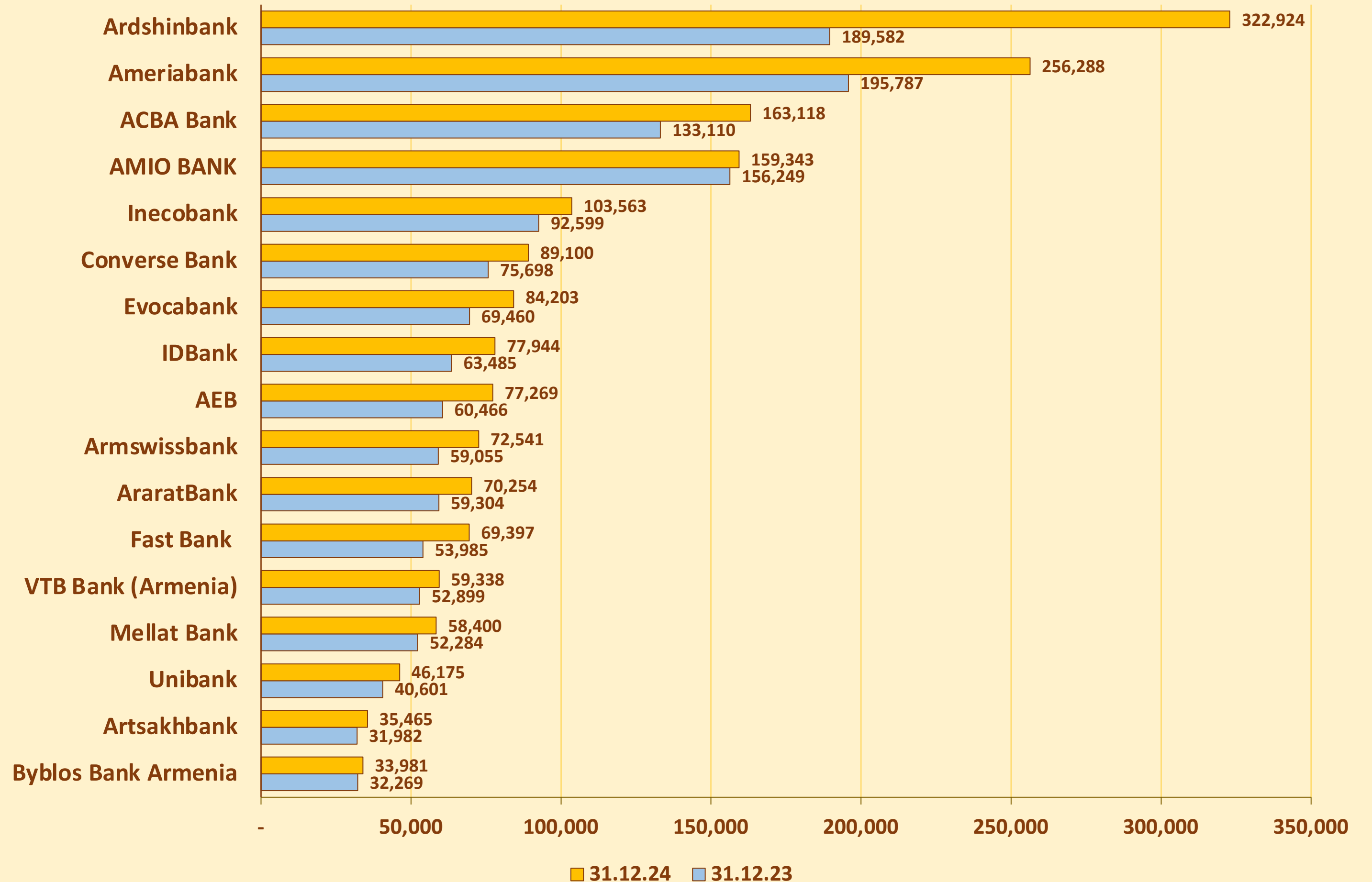
*Balances of bonds issued by banks - 31.12.24 vs 31.12.23 (in mln AMD)*



# Total Equity

- During 2024, Total Equity of Armenian banking sector is increased by **300 bln AMD**, or by **20%** and is amounting to **1.779 bln AMD**.

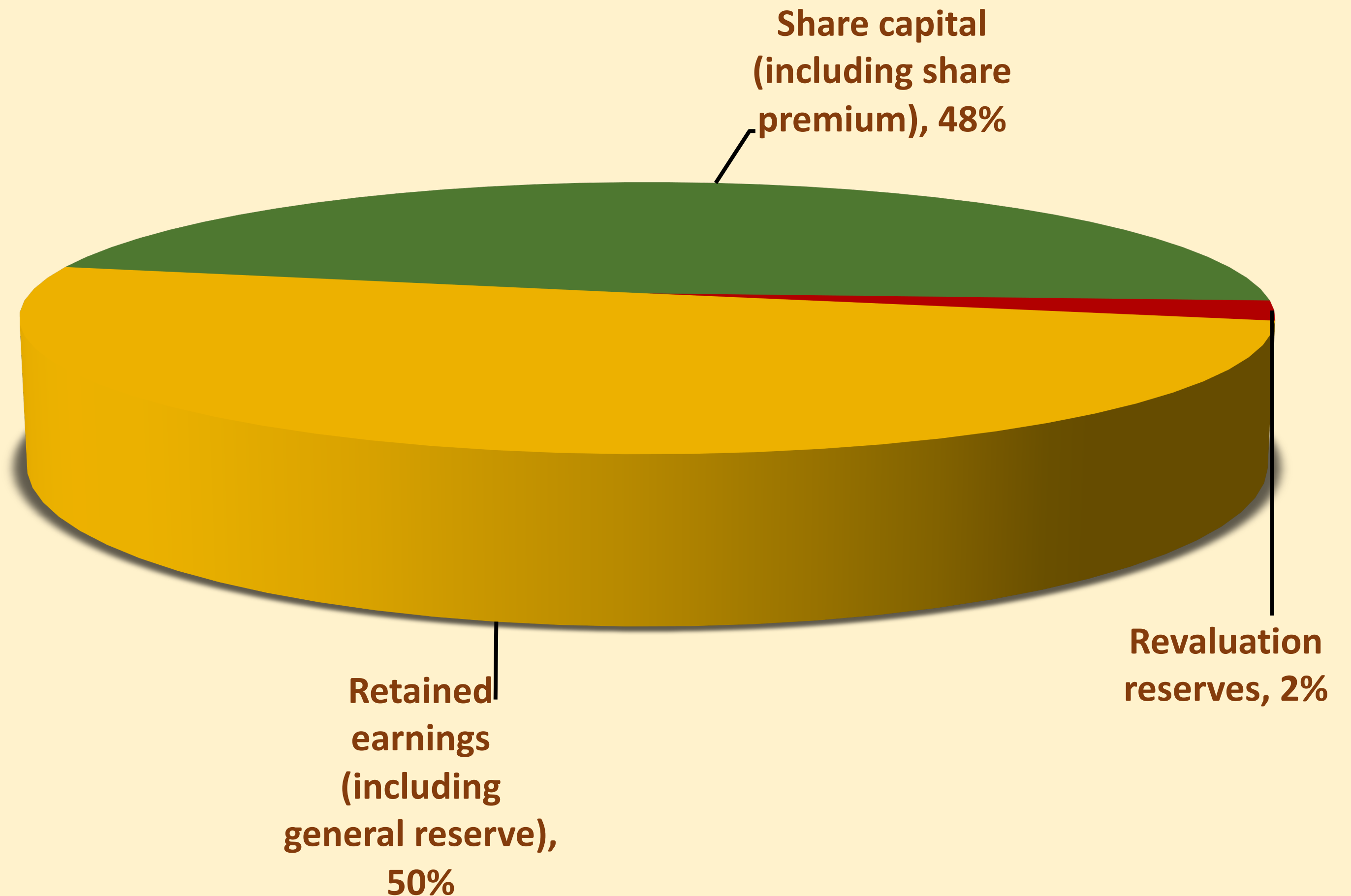
*Total equity by banks - 31.12.24 vs 31.12.23 (in mln AMD)*



## Total Equity

- The major component of total equity of Armenian banking sector is **Share Capital (including share premium)**, with the share of **48%** and is amounting to **845 bln AMD** as of 31.12.2024.
- Second largest component - **Retained Earnings (including general reserve)** with the share of **50%** and is amounting to **892 bln AMD** as of 31.12.2024.
- **Revaluation Reserves (mainly PPE and Financial Assets revaluation reserves)** have share of **2%** and are amounting to **42bln AMD** as of 31.12.2024.

## Components of Total Equity as of 31.12.24



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