

FINANCIAL ANALYSIS OF ARMENIAN BANKING SECTOR 9 months - 2023

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Executive summary

The purpose of this article is to analyze major financial indicators of Armenian banking sector for 9 months of 2023.

Following major components are analyzed

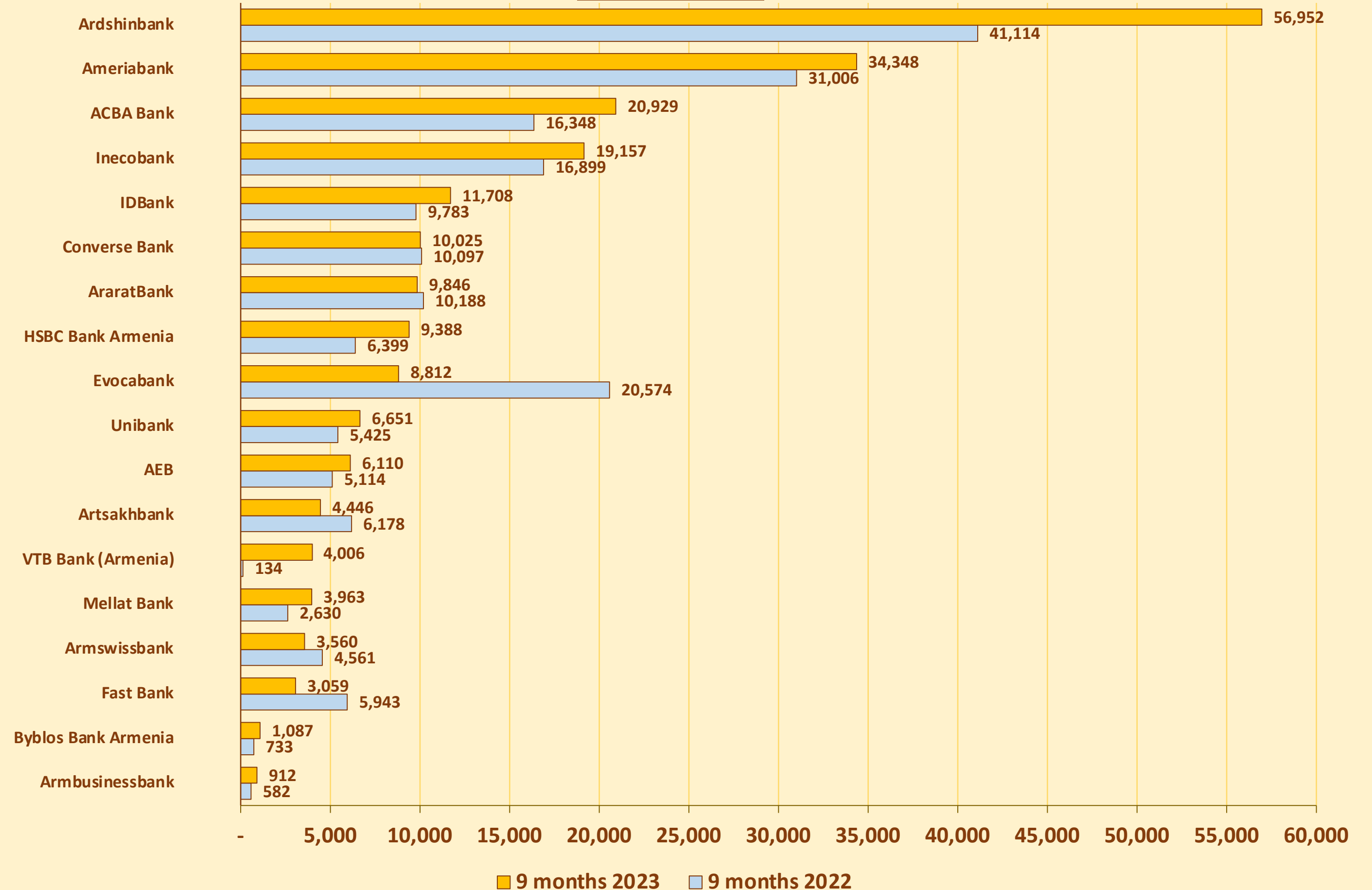
- ***Net Profit, Total assets, total liabilities and equity,***
- ***Total loan portfolio,***
- ***Financial resources attracted from clients (corporate and retail), including issued bonds.***

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 9 months of 2023 is equal to **215 bln AMD**, which is by **21 bln AMD**, or **11%** more than was recorded during 9 months of 2022.
- During 9 months of 2023, all Armenian banks were profitable.

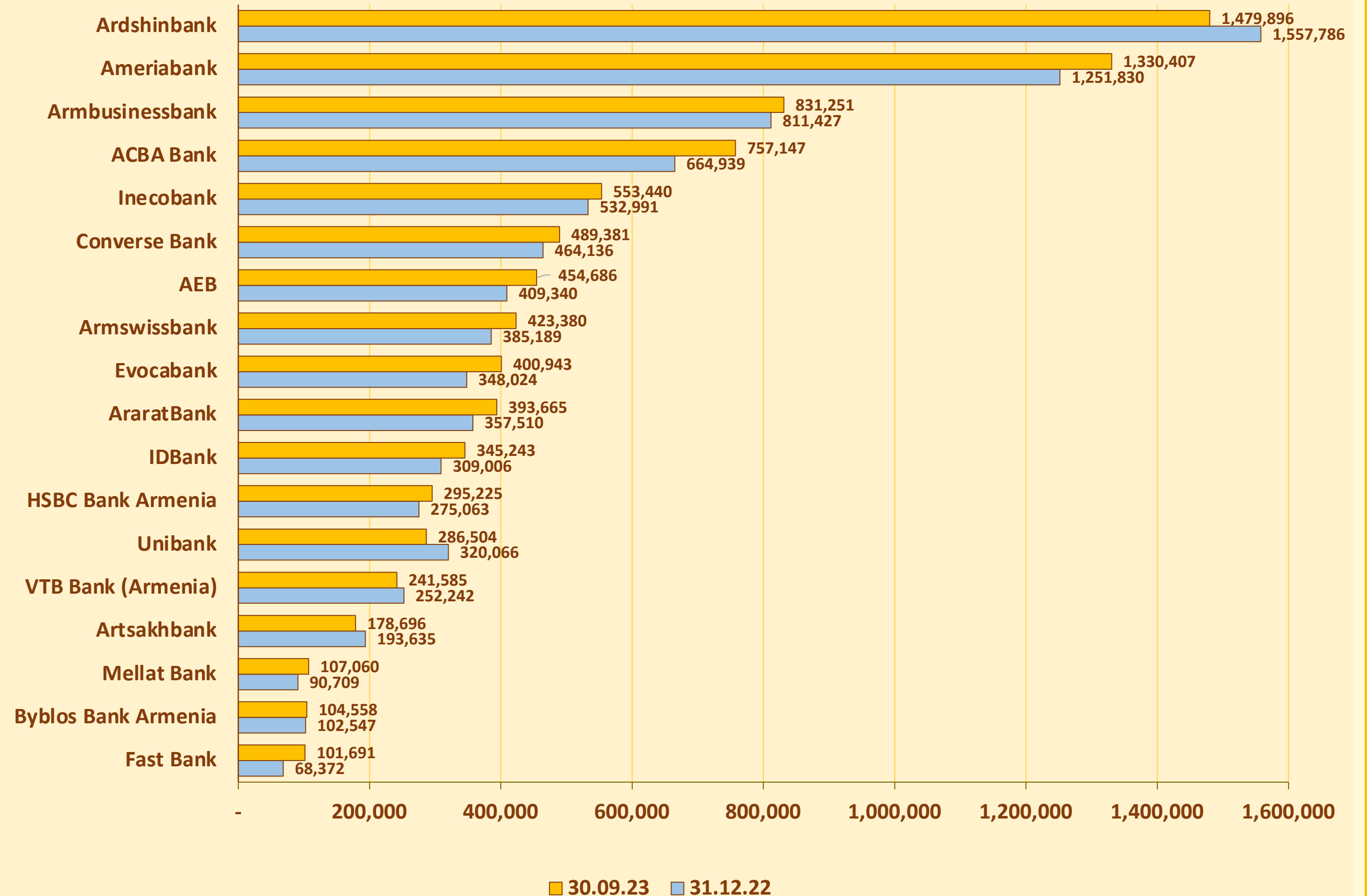
Net profit of banks for 9 months 2023 vs 9 months 2022
(in mln AMD)



Total assets

- During 9 months of 2023, total assets of banking sector are increased by **4.5%**.
- As of 30.09.2023, total assets are amounting to **8,775 bln AMD**.

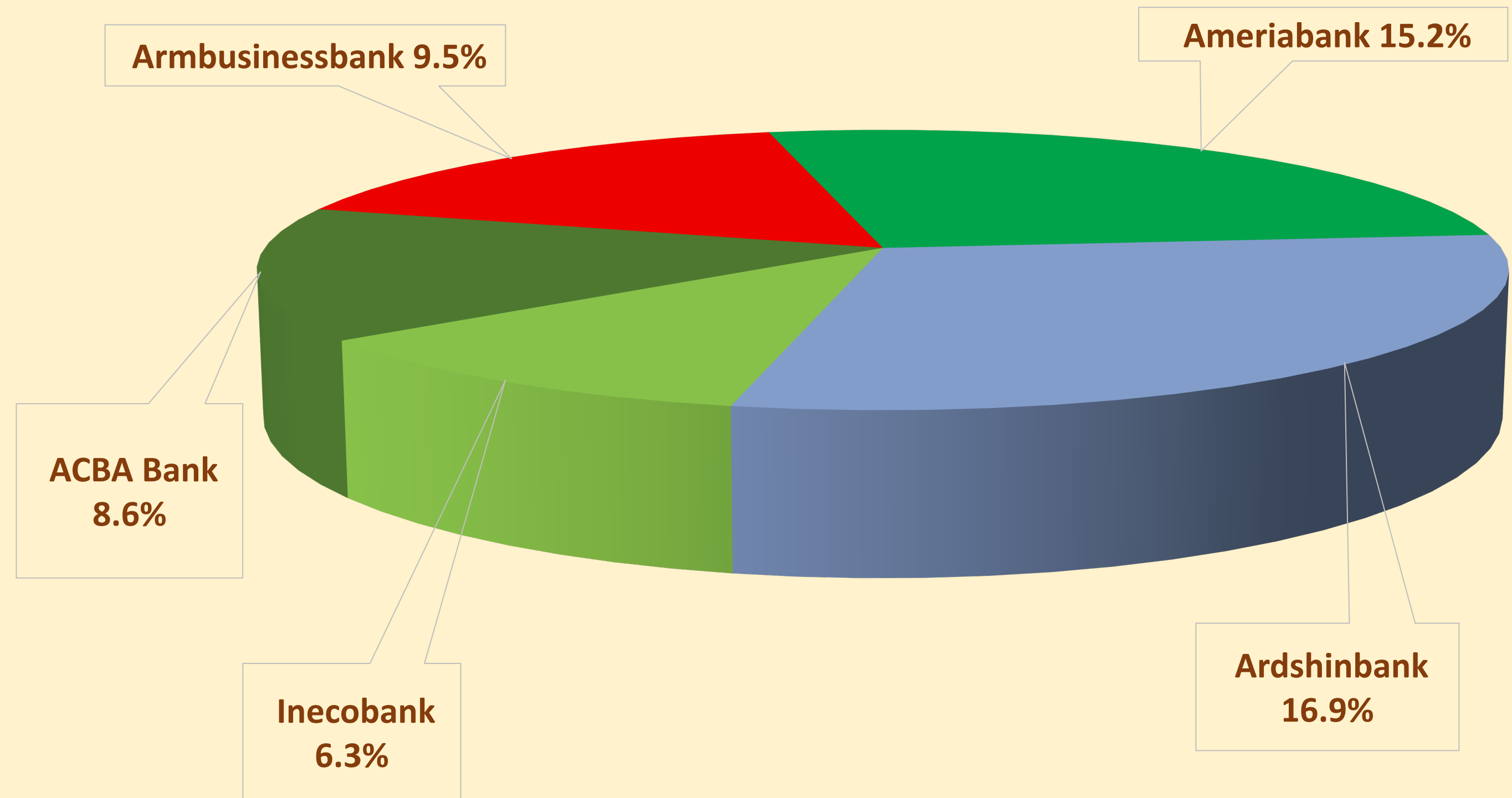
Total assets by banks - 30.09.23 vs 31.12.22 (in mln AMD)



Total assets

- Market share of largest 5 banks (Ardshinbank, Ameriabank, ArmBusinessBank, ACBA Bank and Inecobank) by total assets, is **56.4%**.
- Market share of largest 3 banks (Ardshinbank, Ameriabank, and ArmBusinessBank) by total assets, is **41.5%**.
- Ardshinbank has the largest market share – **16.9%**.

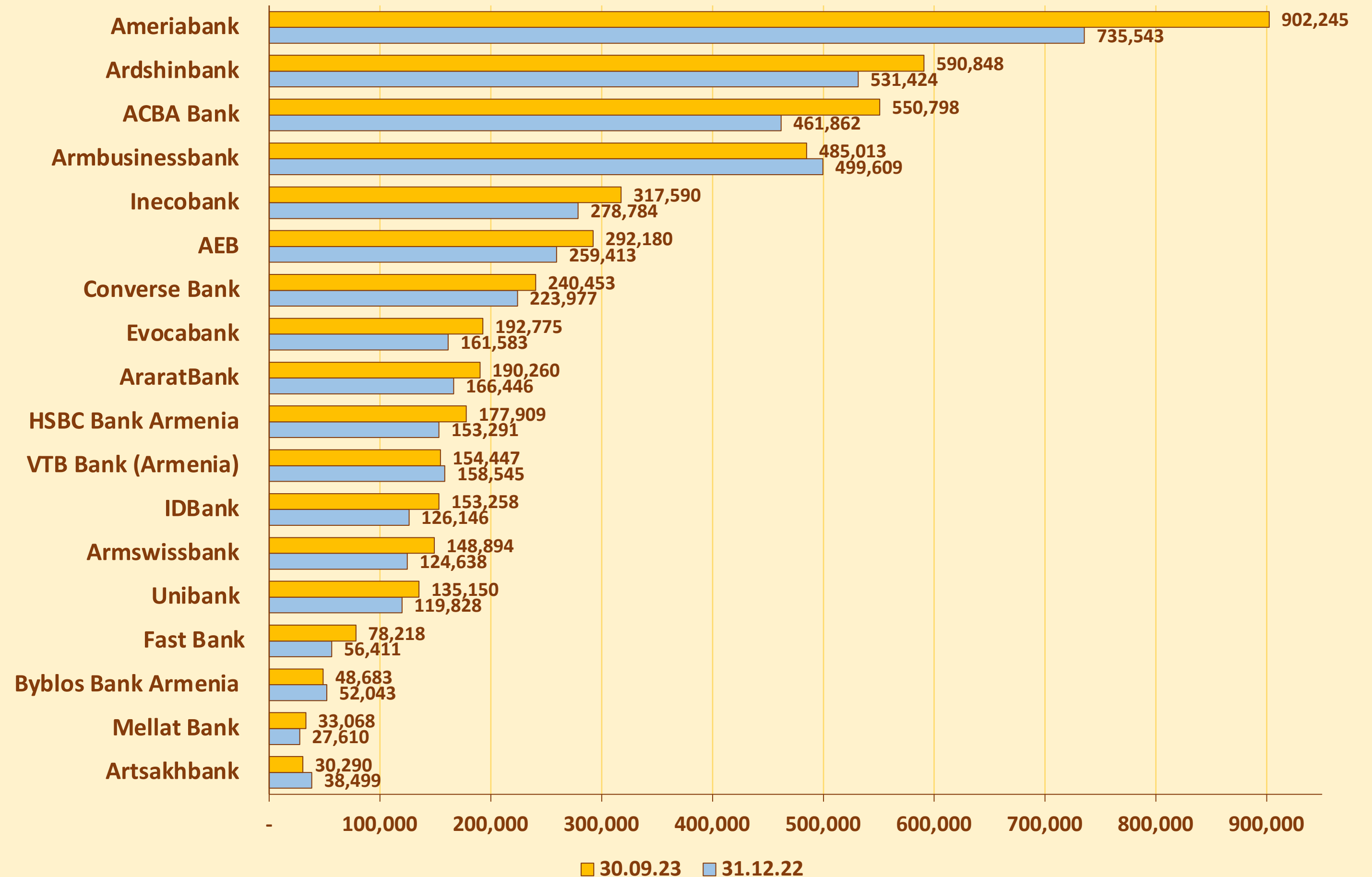
Concentration of total assets by banks as of 30.09.23 (in %)



Total loan portfolio

- Total loan portfolio of banking sector during 9 months of 2023 is increased by **13%**.
- As of 30.09.2023, total loan portfolio is amounting to **4.722 bln AMD** and its share in total assets is **54%**.
- Mentioned total loan portfolio includes retail and corporate loan portfolios.

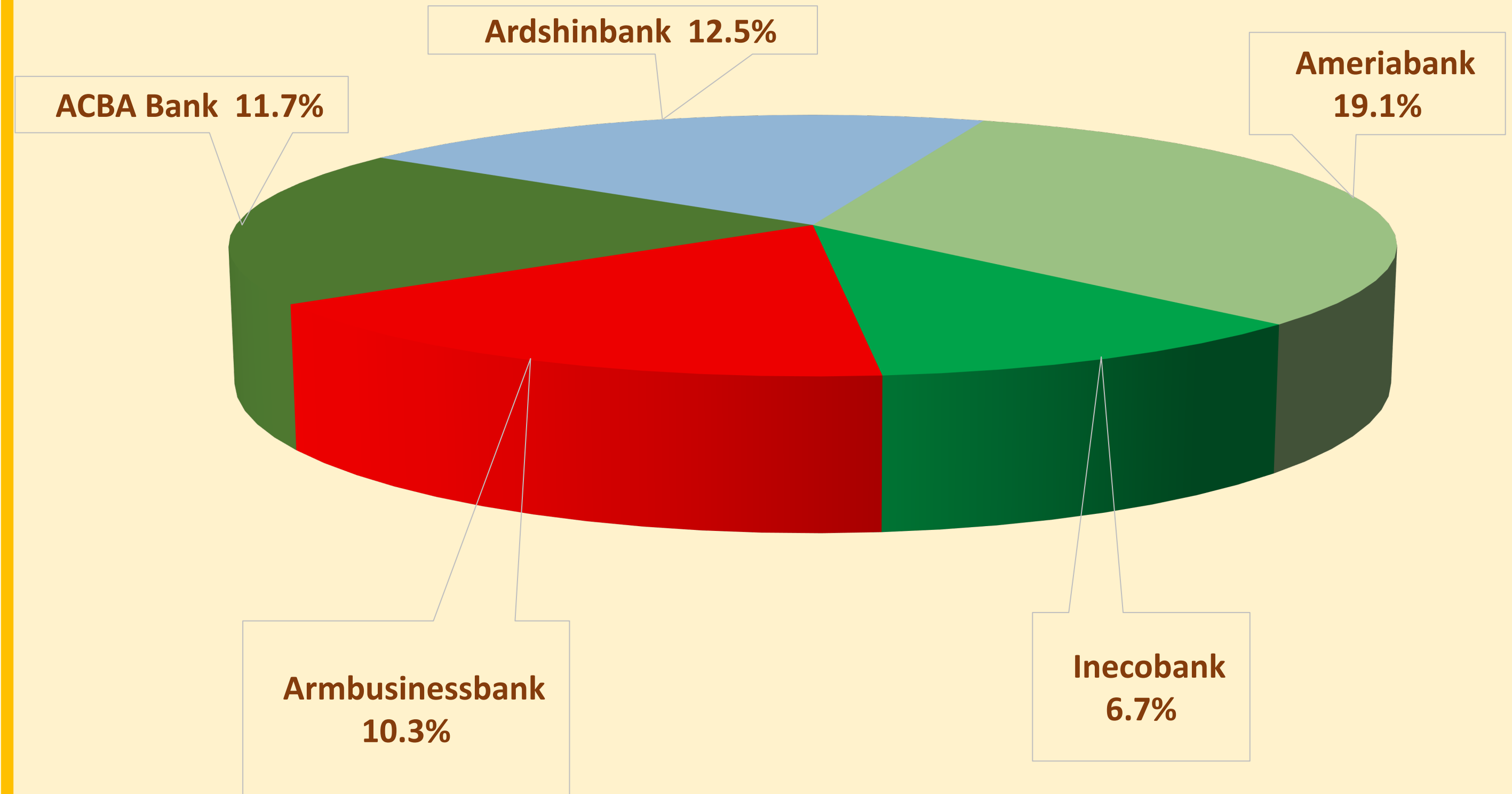
Loan portfolio dynamics for 9 months 2023 (in mln AMD)



Total loan portfolio

- Market share of largest 5 banks (Ameriabank, Ardshinbank, ACBA Bank, ArmBusinessBank and Inecobank) by total loan portfolio, is **60.3%**.
- Market share of largest 3 banks (Ameriabank, Ardshinbank and ACBA Bank) by total loan portfolio is **43.3%**.
- Ameriabank has the largest market share – **19.1%**.

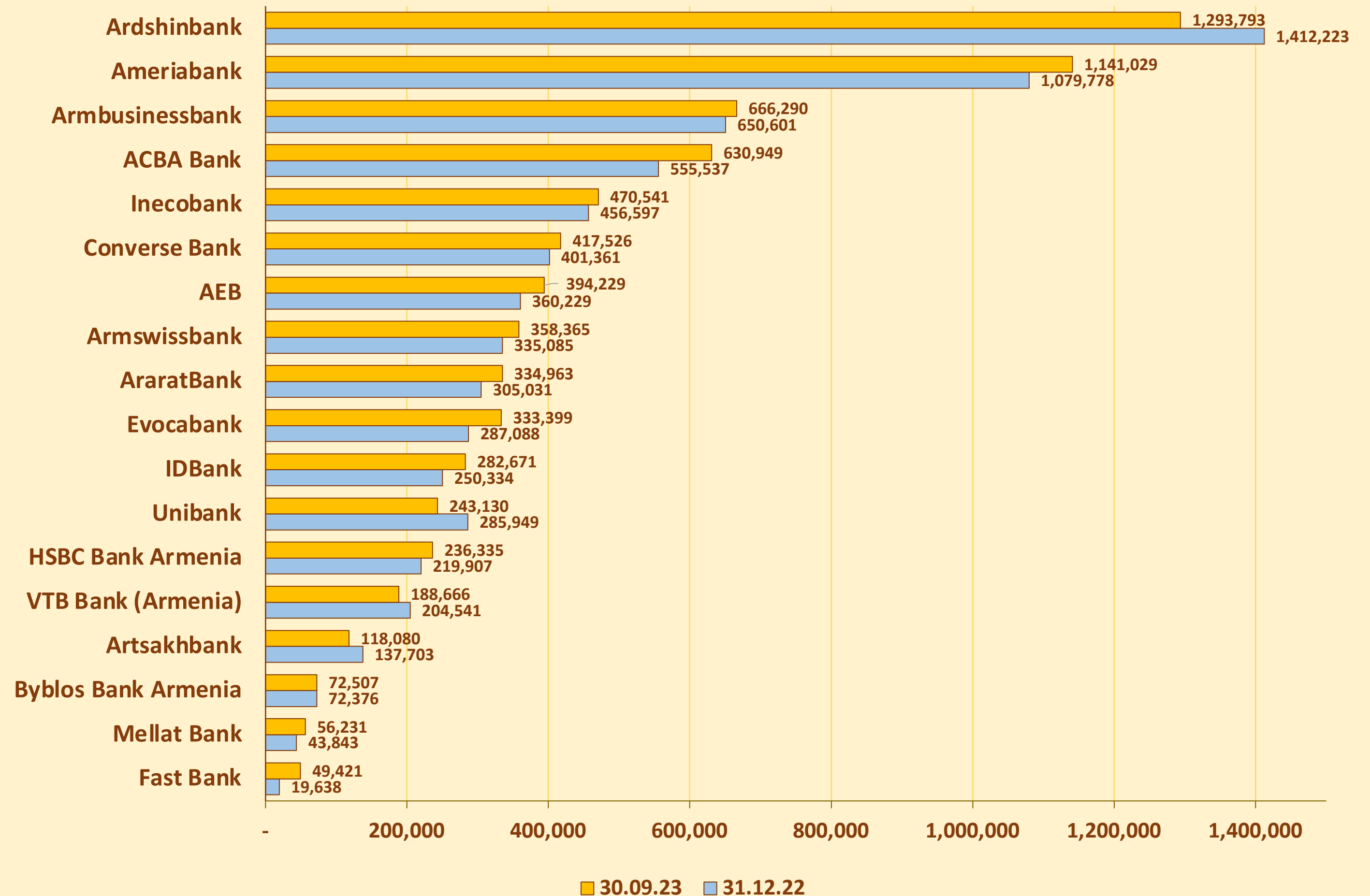
Concentration of total loan portfolio as of 30.09.23 (in %)



Total liabilities

- During 9 months of 2023 , total liabilities of banking sector are increased by **3%**.
- As of 30.09.2023, total liabilities are amounting to **7,288 bln AMD**.

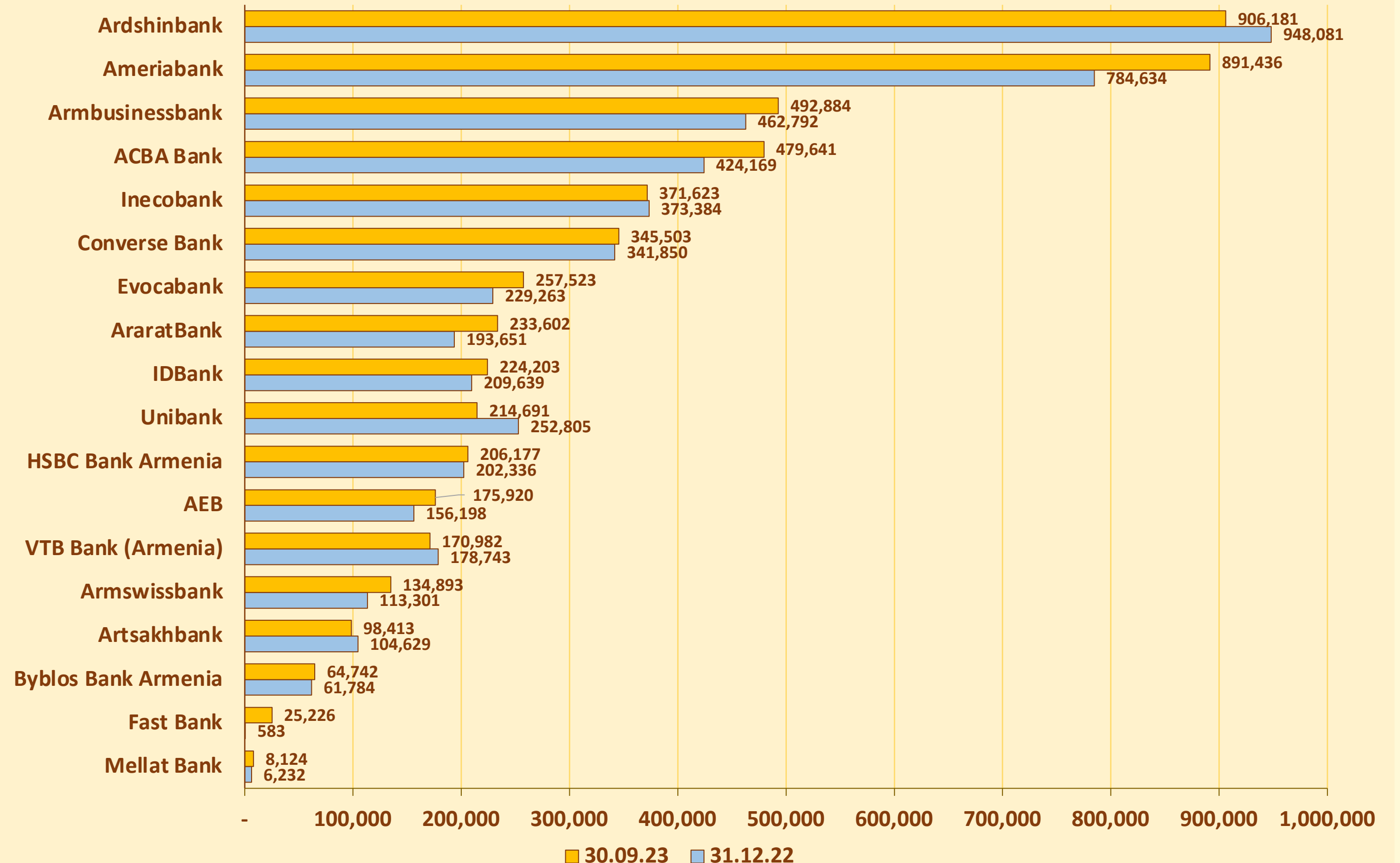
Total liabilities by banks - 30.09.23 vs 31.12.22 (in mln AMD)



Current accounts and deposits from customers

- During 9 months of 2023 , total balance of current accounts and deposits of retail and corporate clients of banking sector is increased, by **5.1%**.
- As of 30.09.2023, total balance of current accounts and deposits of retail and corporate clients is amounting to **5,302 bln AMD** and its share in total liabilities is **73%**.

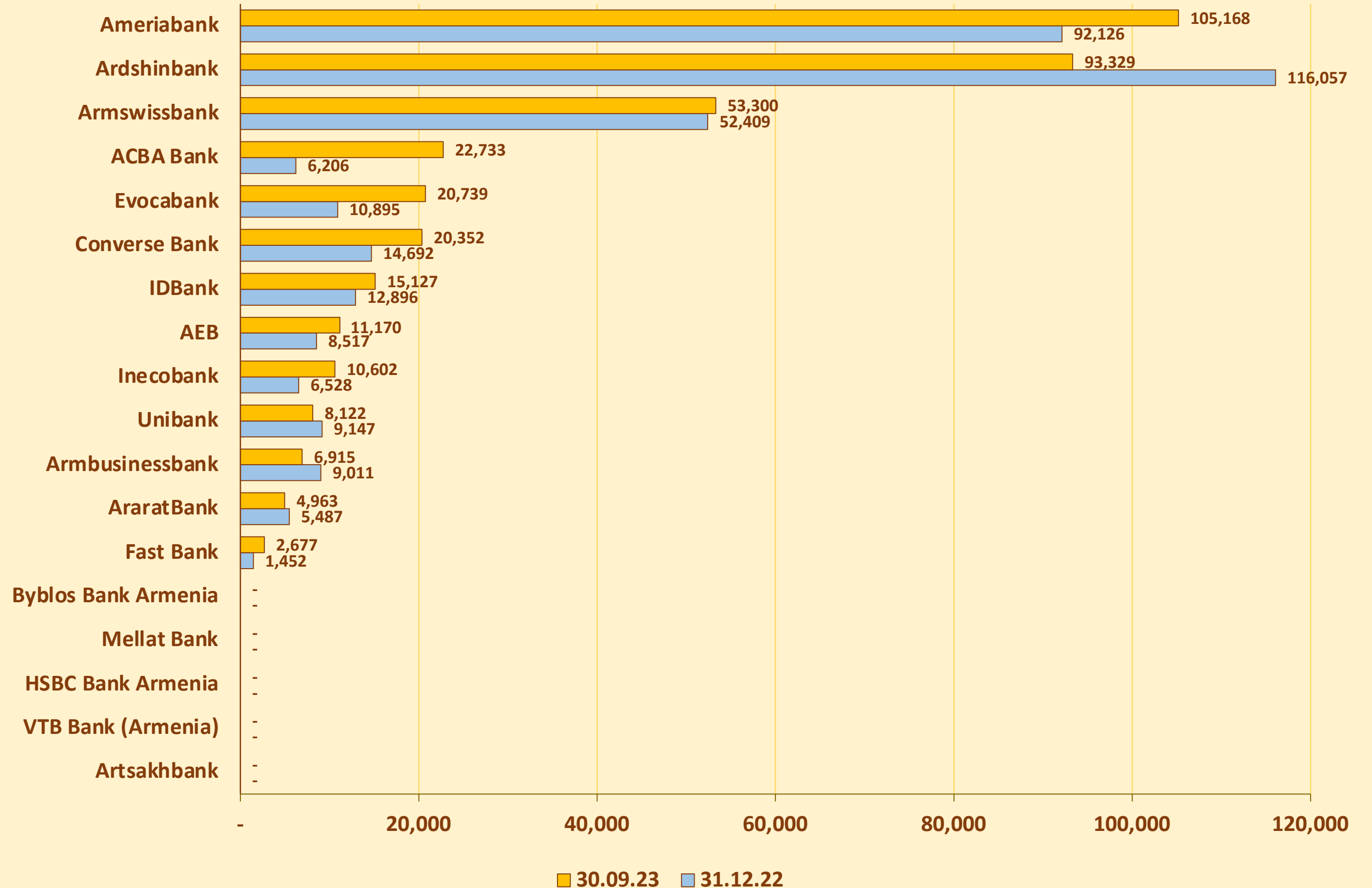
Current accounts and deposits of customers - 30.09.23 vs 31.12.22 (in mln AMD)



Bonds

- During 9 months of 2023 , total balance of bonds issued by Armenian banks is increased by **30 bln AMD**, or **8.6%**.
- As of 30.09.2023, total balance of issued bonds is amounting to **375 bln AMD**.
- Currently **13** from total **18** banks, have issued bonds.

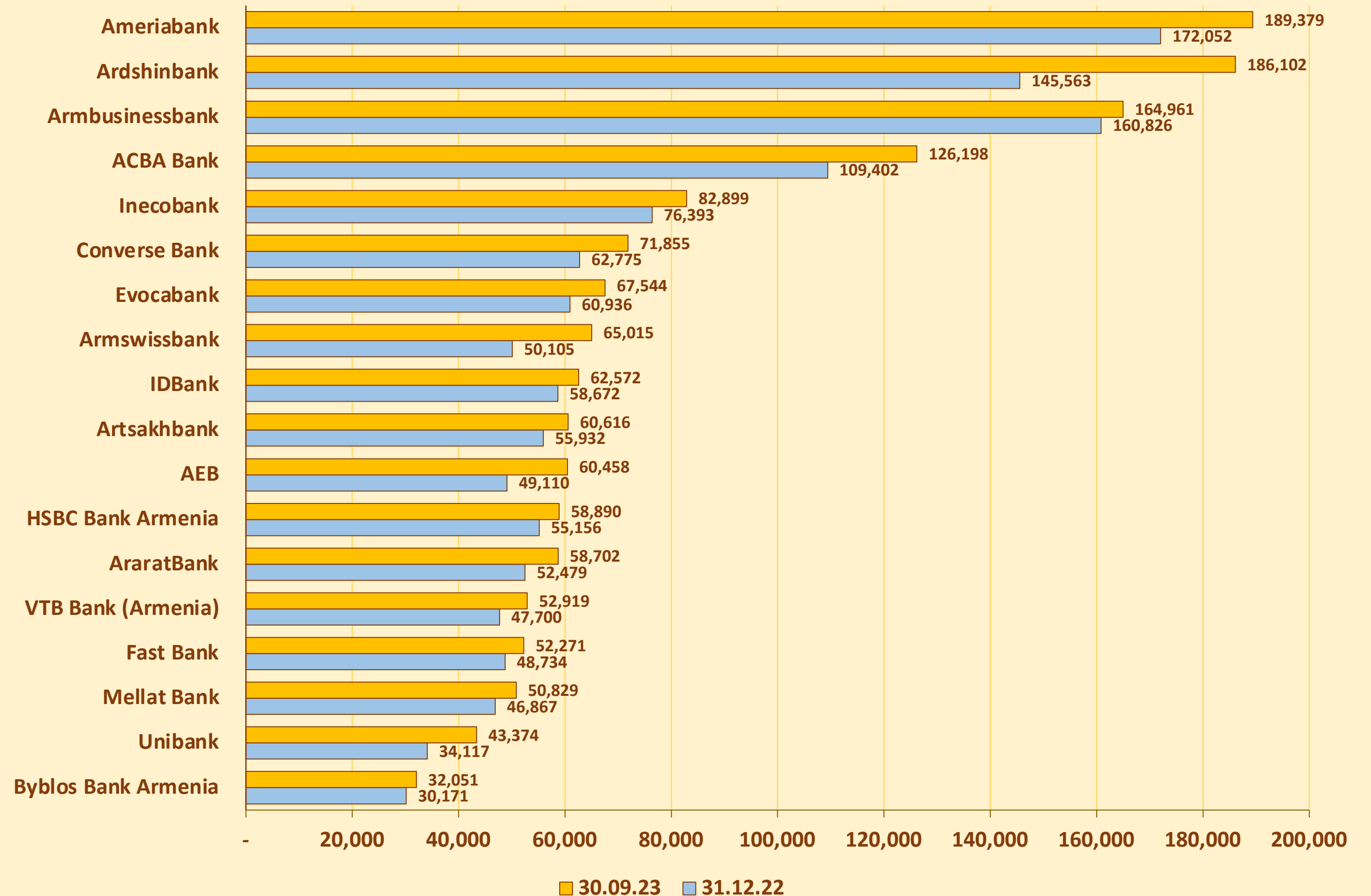
Balances of bonds issued by banks - 30.09.23 vs 31.12.22 (in mln AMD)



Total Equity

- During 9 months of 2023, Total Equity of Armenian banking sector is increased by **170 bln AMD**, or by **13%** and is amounting to **1,487 bln AMD**.
 - During 9 months of 2023 **retained earnings (including general reserve)** of Armenian banking sector are increased by **136 bln AMD**, or by **23%** and are amounting to **718 bln AMD**.
 - 10 banks declared dividends during 9 months of 2023, amounting to 81 bln AMD
1. Ardshinbank – **18.1 bln AMD**
 2. Ameriabank – **17.7 bln AMD**
 3. Inecobank - **13 bln AMD**
 4. IDBANK - **8.25 bln AMD**
 5. HSBC Bank Armenia – **5.8 bln AMD**
 6. Ararat bank– **5 bln AMD**
 7. Converse Bank – **4.4 bln AMD**
 8. ACBA Bank – **4.4 bln AMD**
 9. Evocabank – **3.4 bln AMD**
 10. AEB – **1 bln AMD**

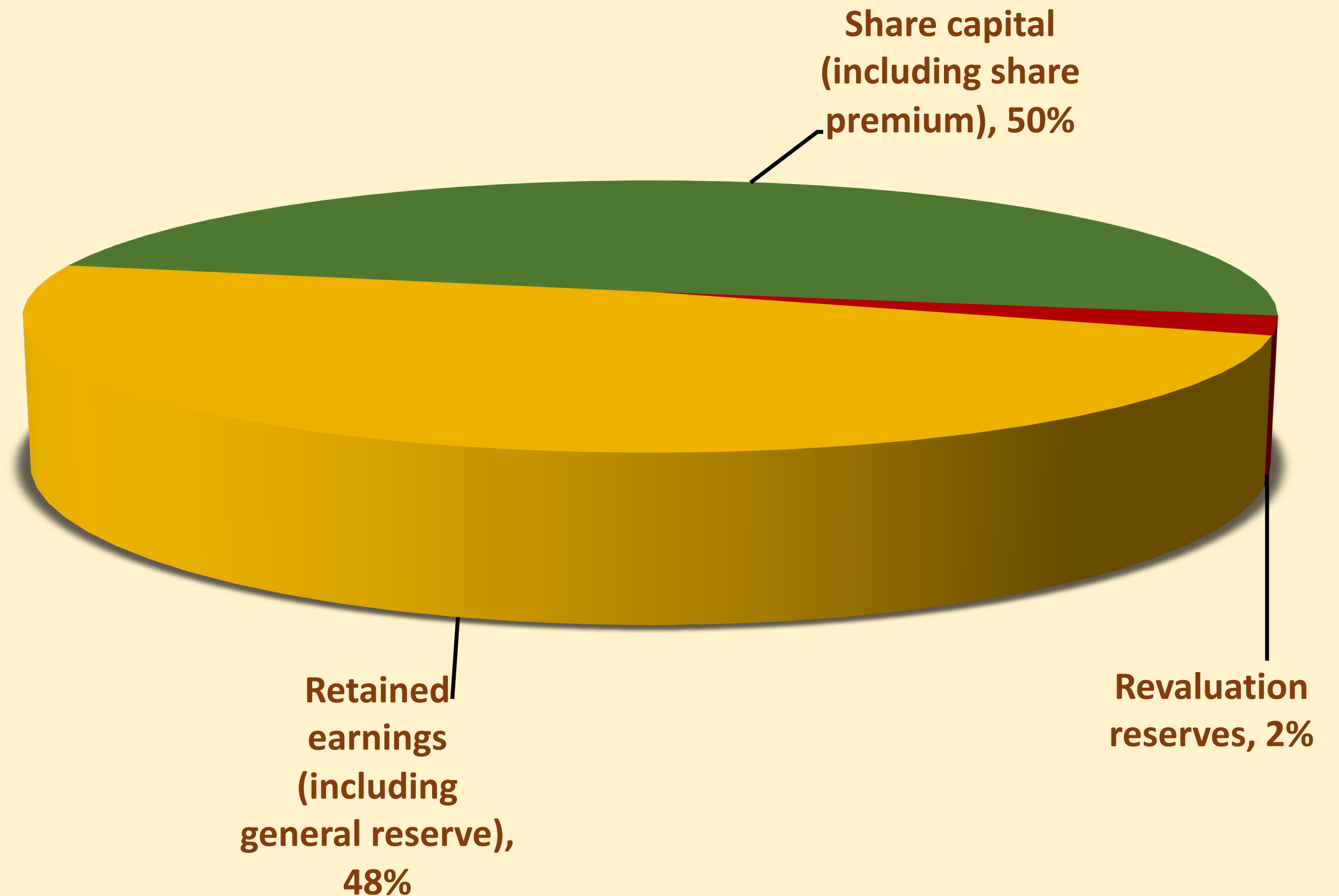
Total equity by banks - 30.09.23 vs 31.12.22 (in mln AMD)



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 **735 bln AMD** as of 30.09.2023.
- Second largest component - **Retained Earnings (including general reserve)** with the share of **48%** and is amounting to **718 bln AMD** as of 30.09.2023.
- **Revaluation Reserves (mainly PPE and Financial Assets revaluation reserves)** have share of **2%** and are amounting to **34 bln AMD** as of 30.09.2023.

Components of Total Equity as of 30.09.23



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