

FINANCIAL ANALYSIS OF ARMENIAN BANKING SECTOR 1HY 2024

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Executive summary

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

Following major components are analyzed

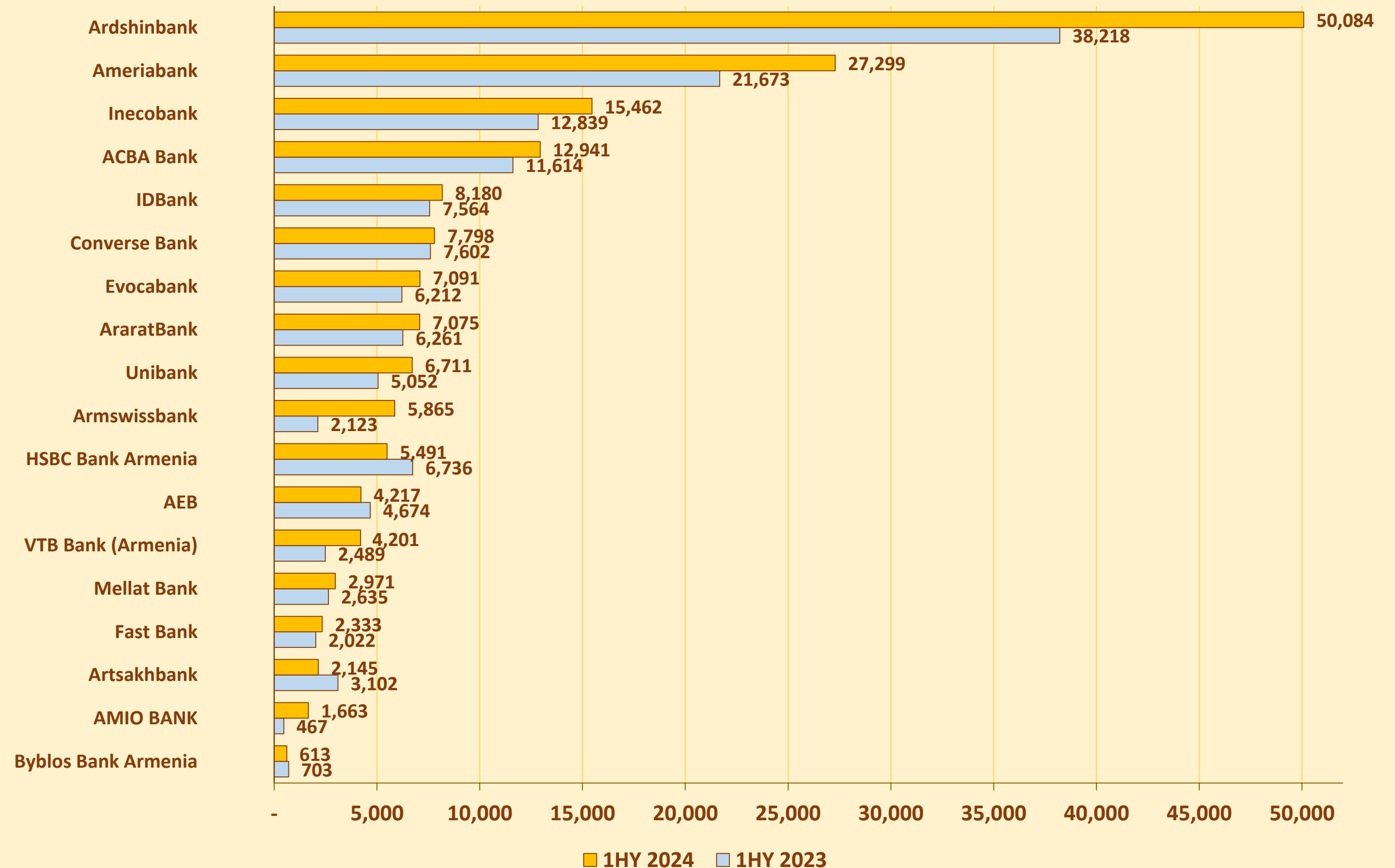
- ***Net Profit, Total assets, total liabilities and equity,***
- ***Total loan portfolio,***
- ***Financial resources attracted from clients (corporate and retail), including issued bonds.***

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 1HY 2024 was equal to **172 bln AMD**, which is by **30 bln AMD**, or by **21%** more than was recorded during 1HY 2023.
- The largest profit was recorded by Ardshinbank, amounting to **50.1 bln AMD**.

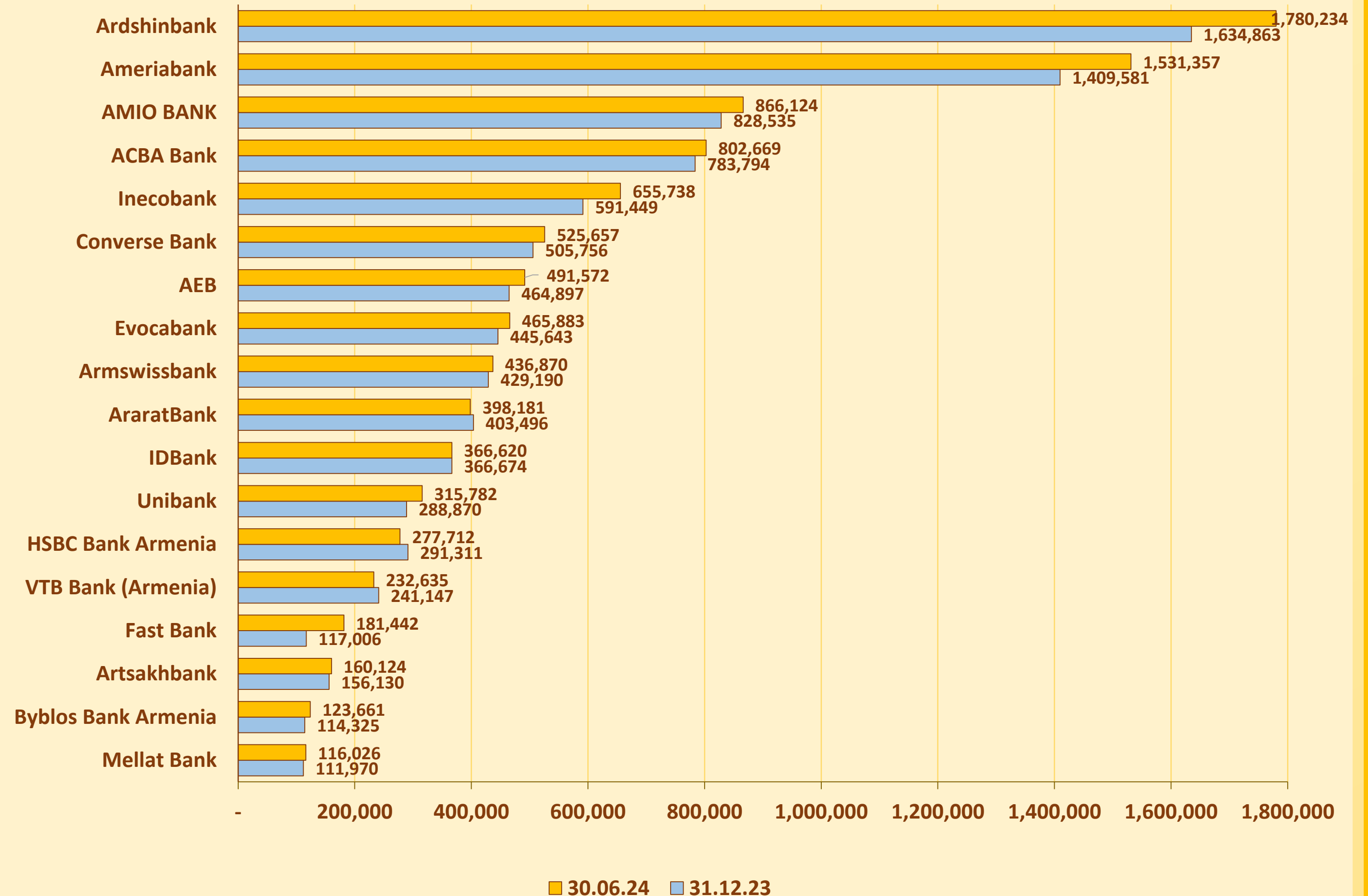
Net profit of banks for 1HY 2024 vs 2023
(in mln AMD)



Total assets

- During 1HY 2024, total assets of banking sector are increased by **544 bln AMD** or by **5,9%**.
- As of 30.06.2024, total assets are amounting to **9,728 bln AMD**.

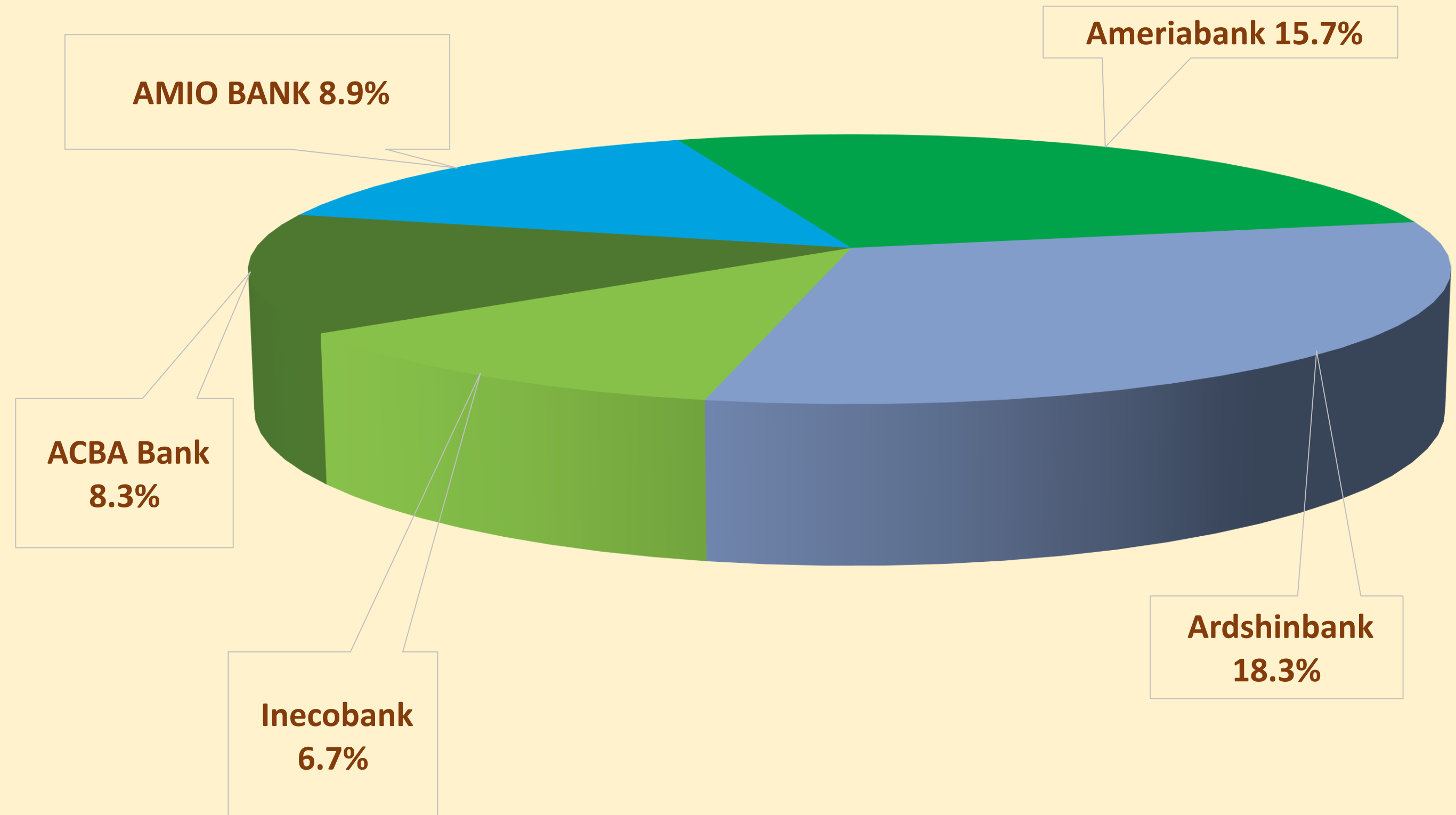
Total assets by banks - 30.06.24 vs 31.12.23 (in mln AMD)



Total assets

- Market share of largest 5 banks (Ardshinbank, Ameriabank, AMIO Bank, ACBA Bank and Inecobank) by total assets, is **57.9%**.
- Market share of largest 3 banks (Ardshinbank, Ameriabank, and AMIO Bank) by total assets, is **42.9%**.
- Ardshinbank has the largest market share – **18.3%**.

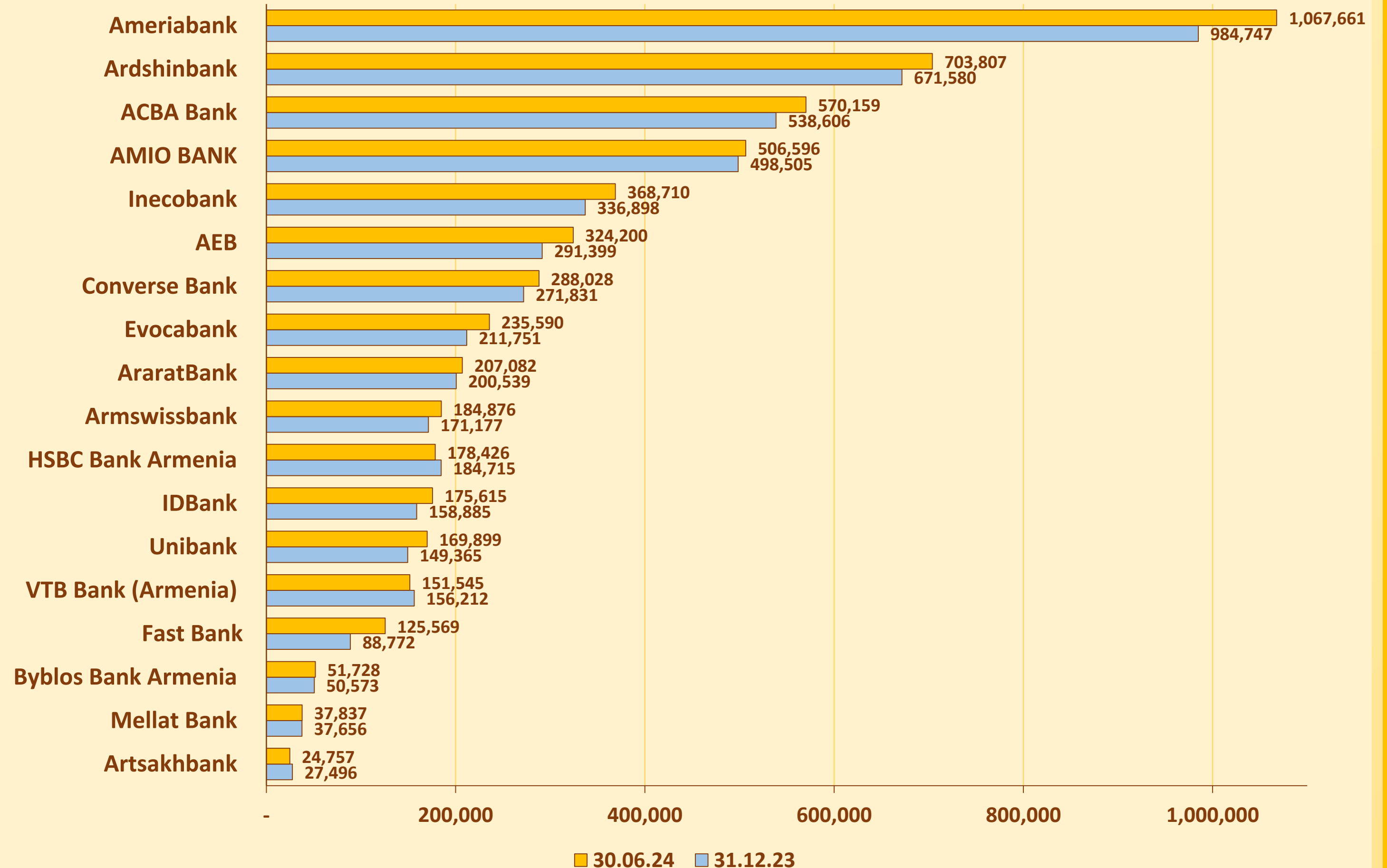
Concentration of total assets by banks as of 30.06.24 (in %)



Total loan portfolio

- Total loan portfolio of banking sector during 1HY 2024 is increased by **6.8%**.
- As of 30.06.2024, total loan portfolio is amounting to **5.372 bln AMD** and its share in total assets is **55%**.
- Mentioned total loan portfolio includes retail and corporate loan portfolios.

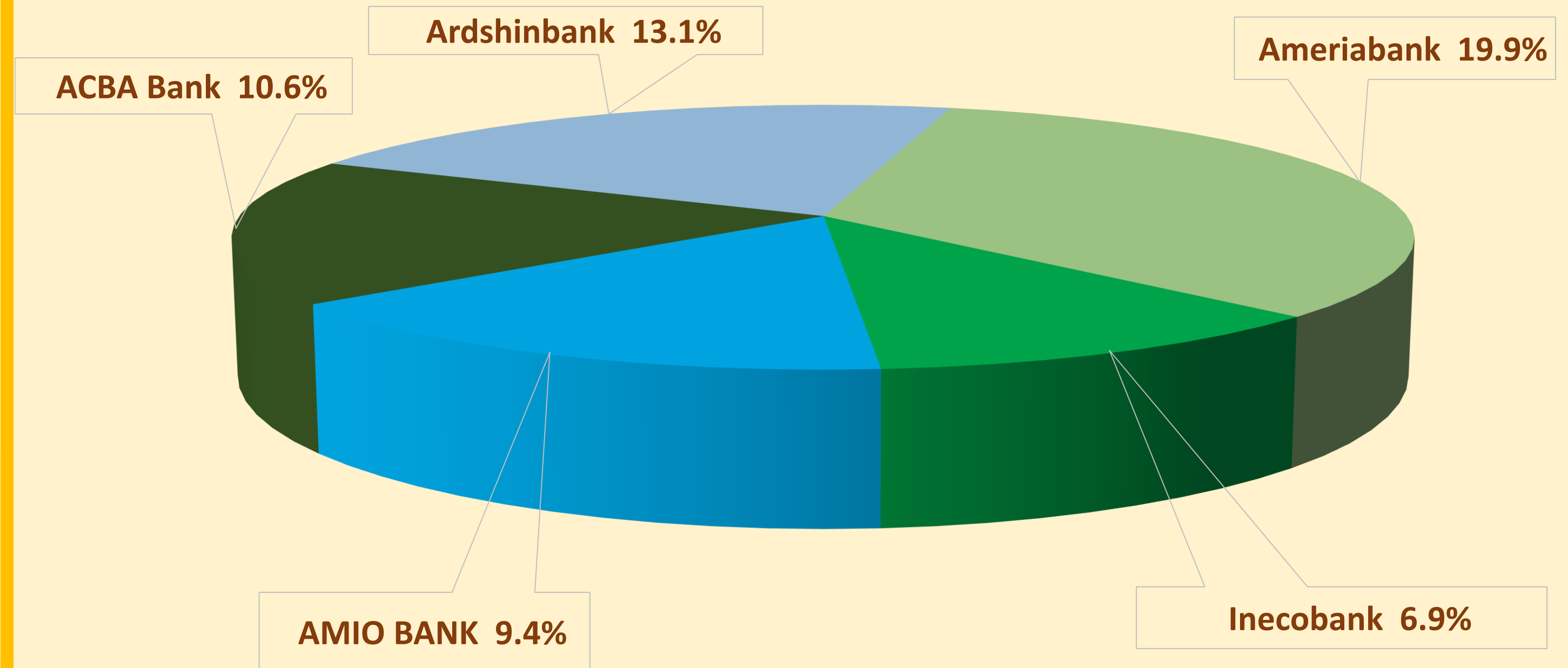
Loan portfolio dynamics for 1HY-2024 (in mln AMD)



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 **43.6%**.
- By loan portfolio, Ameriabank has the largest market share – **19.9%**.

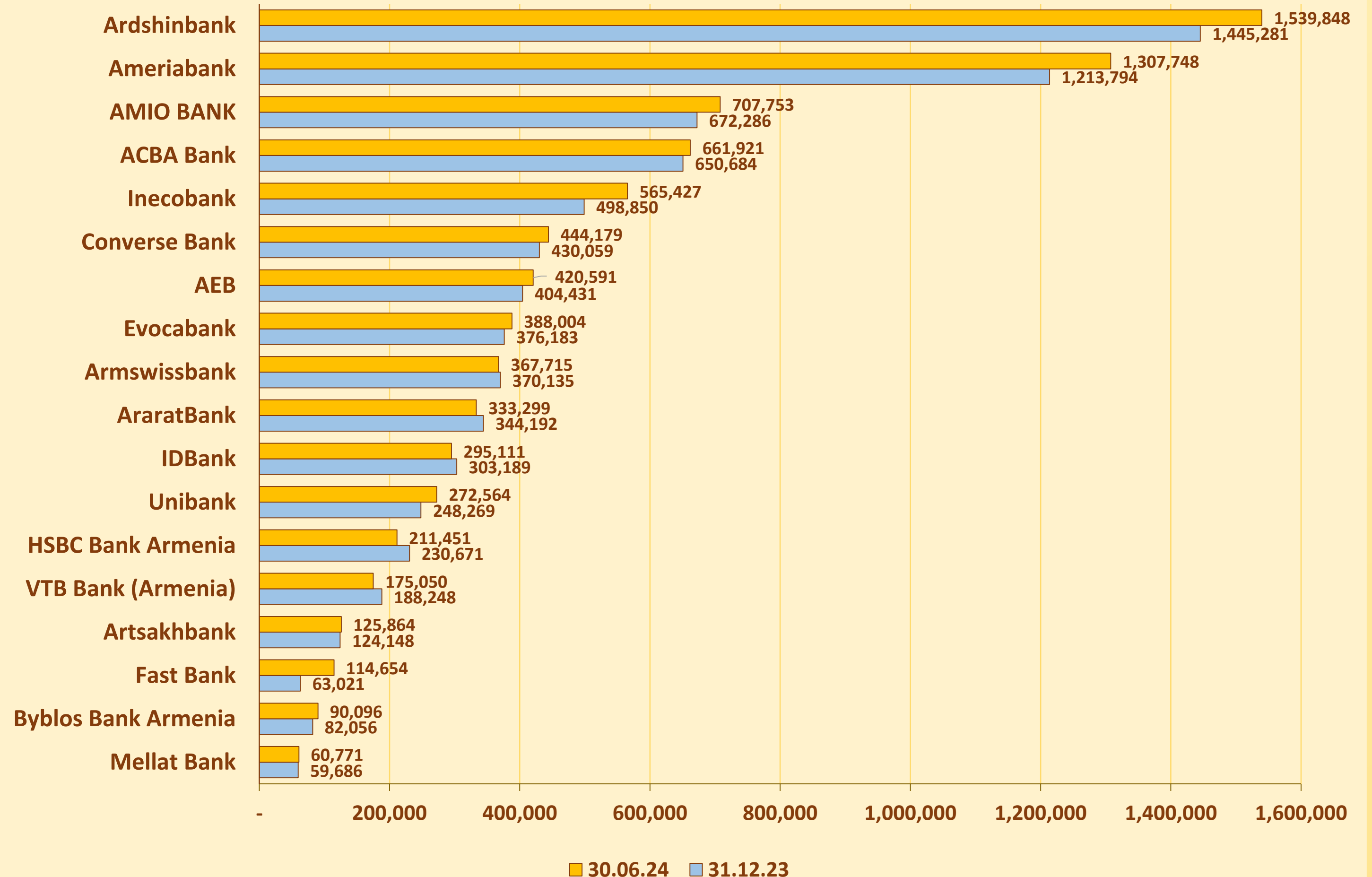
Concentration of total loan portfolio as of 30.06.24 (in %)



Total liabilities

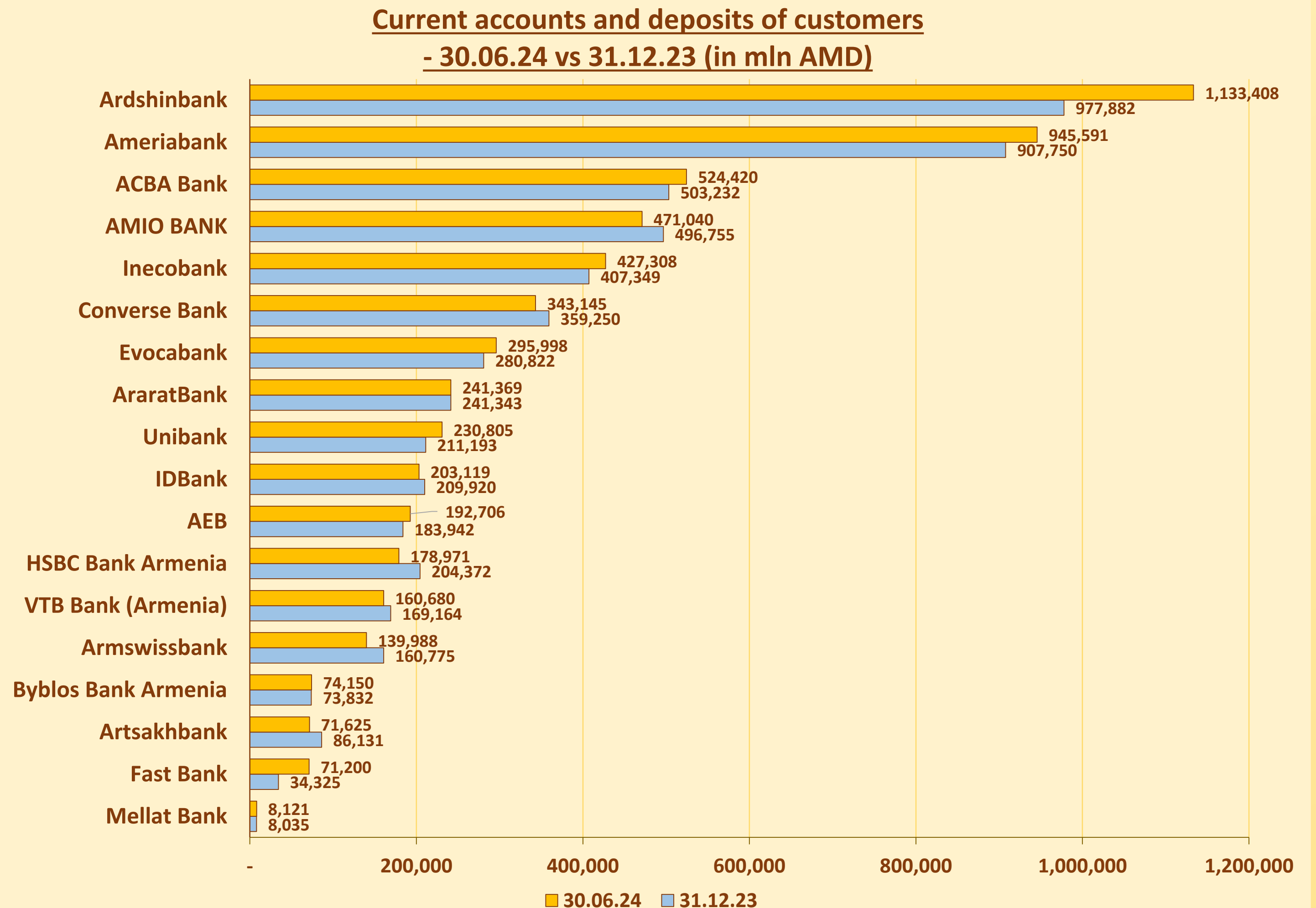
- During 1HY 2024, total liabilities of banking sector are increased by **377 bln AMD** or by **4.9%**.
- As of 30.06.2024, total liabilities are amounting to **8.082 bln AMD**.

Total liabilities by banks - 30.06.24 vs 31.12.23 (in mln AMD)



Current accounts and deposits from customers

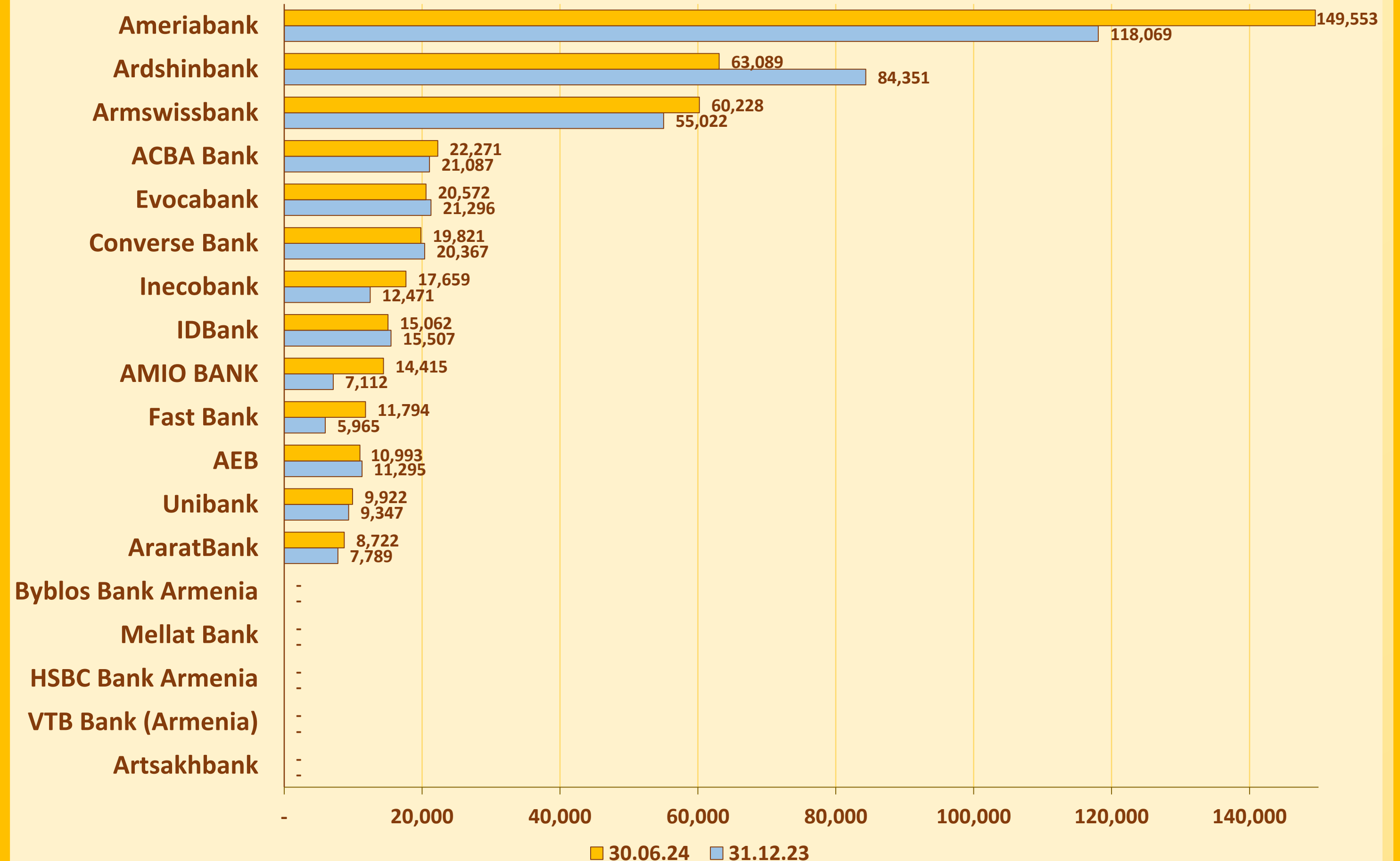
- During 1HY 2024, total balance of current accounts and deposits of retail and corporate clients of banking sector is increased by **198 bln AMD** or by **3.6%**.
- As of 30.06.2024, total balance of current accounts and deposits of retail and corporate clients is amounting to **5.714 bln AMD** and its share in total liabilities is **71%**.



Bonds

- During 1HY 2024, total balance of bonds issued by Armenian banks is equal to **424 bln AMD**, increased by **34 bln AMD**, or **9%**.
- Currently **13** from total **18** banks, have issued bonds. Majority of bonds are listed on Armenian Stock Exchange.

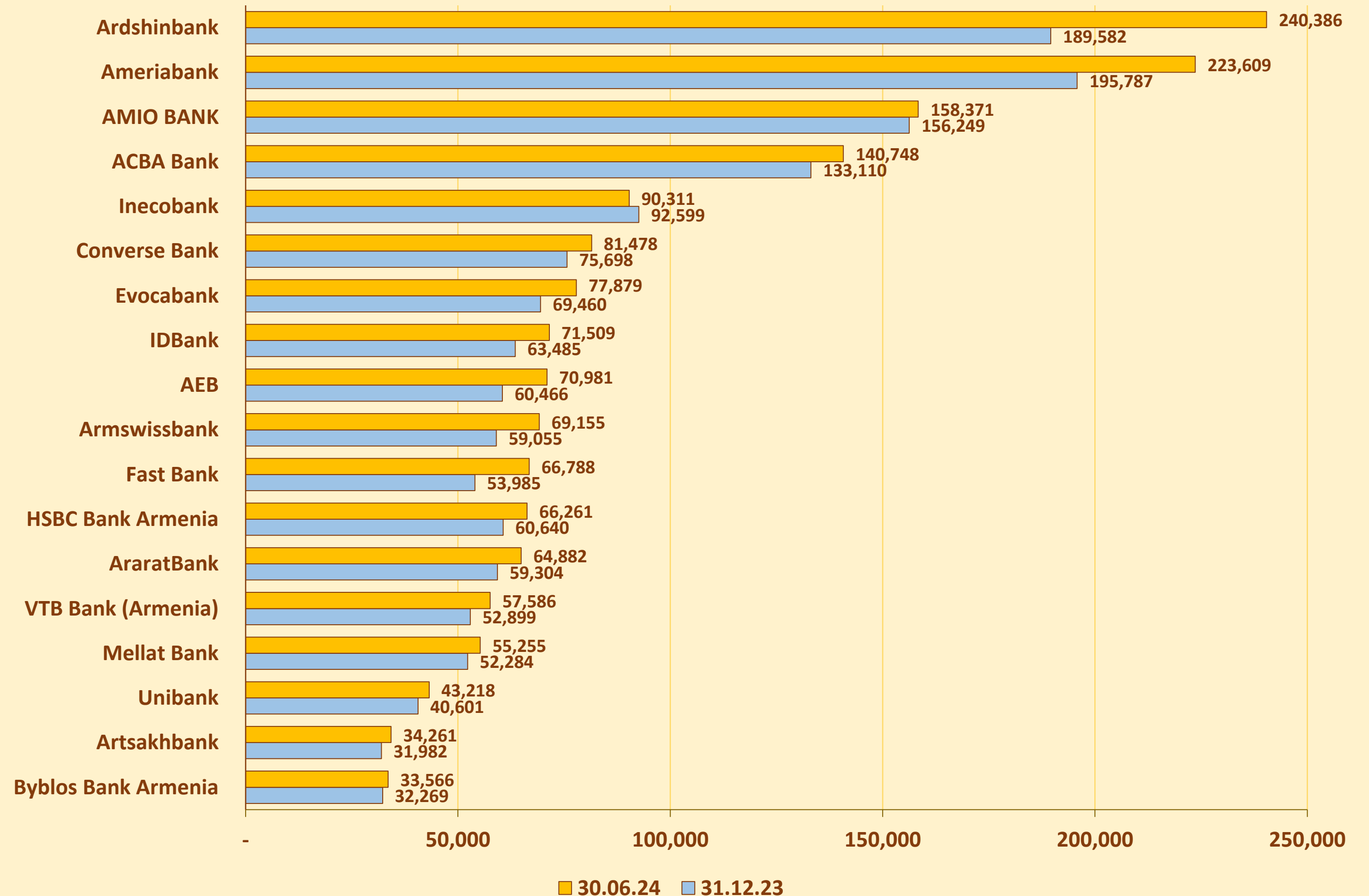
Balances of bonds issued by banks - 30.06.24 vs 31.12.23 (in mln AMD)



Total Equity

- During 1HY 2024, Total Equity of Armenian banking sector is increased by **161 bln AMD**, or by **6.9%** and is amounting to **1.646 bln AMD**.
- This increase is mainly due to generated net profit during 1HY 2024 = **172 bln AMD**.

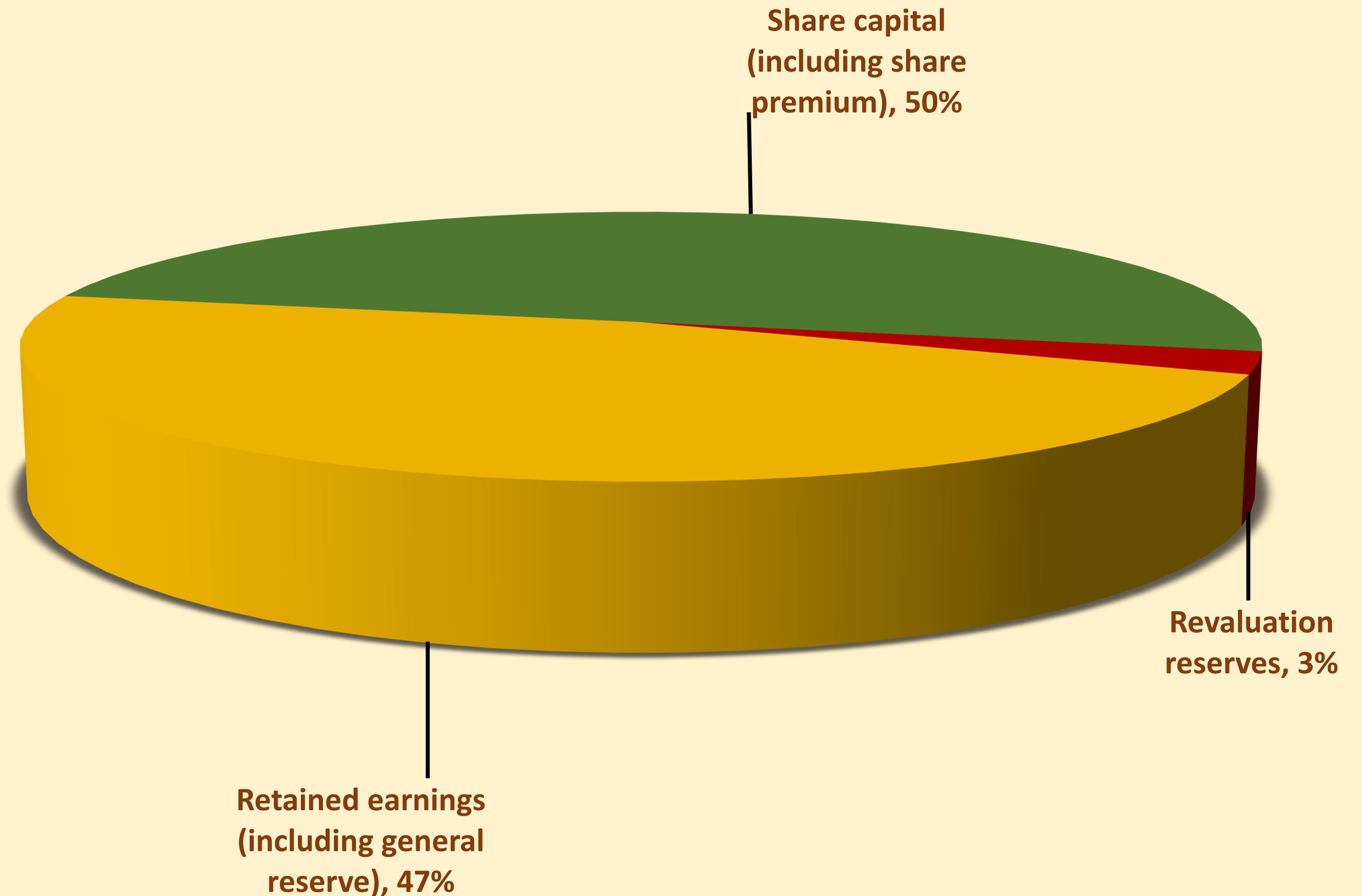
Total equity by banks - 30.06.24 vs 31.12.23 (in mln AMD)



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 **825 bln AMD** as of 30.06.2024.
- Second largest component - **Retained Earnings (including general reserve)** with the share of **47%** and is amounting to **777 bln AMD** as of 30.06.2024.
- **Revaluation Reserves (mainly PPE and Financial Assets revaluation reserves)** have share of **3%** and are amounting to **44 bln AMD** as of 30.06.2024.

Components of Total Equity as of 30.06.24



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