

3. Financial Sector

3.1. Main Monetary Indicators

According to the preliminary data of RA Central Bank, the monetary base as of December 31 comprised 118586 mln. drams and in comparison with the previous month increased by 16145 drams or by 15.8 %.

Structure of Monetary Base¹

(as of the end of month, mln. drams)

	2003			
	March	June	September	December
Net foreign assets, total (excluding funds of privatization)	116338	129437	143498	157807
Net domestic assets, total	-23007	-34053	-40083	-39221
Including				
Government	-13564	-28577	-31645	-31507
Including				
Central government	-13564	-28577	-31645	-31507
of which				0
sums of PIOs	0	0	0	
Local self-government bodies	0	0	0	0
Social insurance state fund of RA	0	0	0	0
Banks	7500	6500	7278	8600
of which				
REPO agreement	0	0	0	0
deposits (-)	0	-1600	-300	-100
currency SWAP	0	0	0	0
Other net assets	-16943	-11976	-15716	-16314
Monetary base, total	93331	95384	103415	118586
Including				
Currency outside the Central Bank	77965	79967	85537	96839
Required reserves (in drams)	14920	14992	17243	21047
Other accounts	446	425	635	700
Including				
other accounts (in drams)	445	425	347	657
other accounts (in foreign exchange)	1	0	288	43

Structure of Monetary Base¹

(% changes against previous month)

	2003			
	March	June	September	December
Net foreign assets, total (excluding funds of privatization)	-5.9	-2.3	-0.6	13.6
Net domestic assets, total	10.8	-6.3	1.1	-7.6
Including				
Government	-30.9	-25.4	-2.8	-7.9
Including				
Central government	-30.9	-25.4	-2.8	-7.9
of which				
sums of PIOs	-	-	-	-
Local self-government bodies	-	-	-	-
Social insurance state fund of RA	-	-	-	-
Banks	50.6	-13.3	6.3	29.1
of which				
REPO agreement	-	-	-	-
deposits (-)	100.0	-433.3	40.0	0.0

¹ According to the active and passive components

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	2003			
	March	June	September	December
currency SWAP	0.0	0.0	0.0	100.0
Other net assets	17.0	28.5	5.2	-17.3
Monetary base, total	-4.6	-5.0	-0.5	15.8
including				
Currency outside the Central Bank	-0.8	-0.6	-3.8	14.1
Required reserves (in drams)	-20.6	-2.3	17.9	23.5
Other accounts	8.5	3.7	68.0	23.9
including				
other accounts (in drams)	11.8	3.7	5.5	19.5
other accounts (in foreign exchange)	-92.3	0.0	487.8	186.7

Structure of Monetary Base¹

(against monetary base, %)

	2003			
	March	June	September	December
Net foreign assets, total (excluding funds of privatization)	124.7	135.7	138.8	133.1
Net domestic assets, total	-24.7	-35.7	-38.8	-33.1
including				
Government	-14.5	-30.0	-30.6	-26.6
including				
Central government	-14.5	-30.0	-30.6	-26.6
of which				
sums of PIOs	0.0	0.0	0.0	0.0
Local self-government bodies	0.0	0.0	0.0	0.0
Social insurance state fund of RA	0.0	0.0	0.0	0.0
Banks	8.0	6.8	7.0	7.3
of which				
REPO agreement	-	-	-	0.0
deposits (-)	-	-1.7	-0.3	-0.1
currency SWAP	0.0	0.0	0.0	0.0
Other net assets	-18.2	-12.5	-15.2	-13.8
Monetary base, total	100	100	100	100.0
including				
Currency outside the Central Bank	83.5	83.8	82.7	81.7
Required reserves (in drams)	16.0	15.7	16.7	17.7
Other accounts	0.5	0.5	0.6	0.6
including				
other accounts (in drams)	0.5	0.5	0.3	0.6
other accounts (in foreign exchange)	0.0	0.0	0.3	0.0

According to the preliminary data of RA Central Bank, as of the end of December 2003 money supply comprised 233818² mln. drams and increased by 22660 mln. drams or 10.7 % compared to the previous month.

Structure of Money Supply¹

(as of the end of month, mln. drams)

	2003			
	March	June	September	December
Net foreign assets, total	141005	160010	179508	197755
Net domestic assets, total	42337	34833	32545	36063
including				
Government	-2317	-14641	-13083	-14606

¹ According to the active and passive components.

² Calculated interests are included

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	2003			
	March	June	September	December
Economy ¹	87739	92603	92508	103170
<i>including</i>				
Organizations	56618	56979	55645	61127
Households	26103	30643	30968	35425
Public organizations	75	20	39	59
Other financial organizations	4943	4961	5856	6559
Other net assets	-43085	-43129	-46880	-52501
Money supply, total	183342	194843	212053	233818
<i>including</i>				
Currency outside the banking system	74801	76479	81184	91997
Demand deposits	20608	23735	27884	31275
Term, saving deposits (in drams)	11158	13840	13294	10138
Deposits in foreign exchange	76774	80789	89691	100408
Money multiplier	1.90	1.92	2.02	2.05

Structure of Money Supply²

(% changes against previous month)

	2003			
	March	June	September	December
Net foreign assets, total	-2.0	1.2	3.3	13.4
Net domestic assets, total	2.0	-7.3	-5.4	-2.0
<i>including</i>				
Government	-89.6	-42.0	-8.6	-13.5
Economy ¹	1.3	0.3	0.5	7.5
<i>including</i>				
Organizations	-1.8	-0.4	-1.9	6.8
Households	7.0	3.2	1.5	8.9
Public organizations	-2.6	-76.5	129.4	103.4
Other financial organizations	10.6	-8.0	23.5	6.1
Other net assets	1.8	3.0	-2.9	-13.3
Money supply, total	-1.1	-0.5	1.9	10.7
<i>including</i>				
Currency outside the banking system	-1.0	-0.5	-4.5	14.1
Demand deposits	-7.8	-5.4	19.6	16.4
Term, saving deposits (in drams)	11.8	0.1	2.2	-17.9
Deposits in foreign exchange	-1.0	1.1	3.3	10.0

Structure of Money Supply²

(against money supply, %)

	2003			
	March	June	September	December
Net foreign assets, total	76.9	82.1	84.7	84.6
Net domestic assets, total	23.1	17.9	15.3	15.4
<i>including</i>				

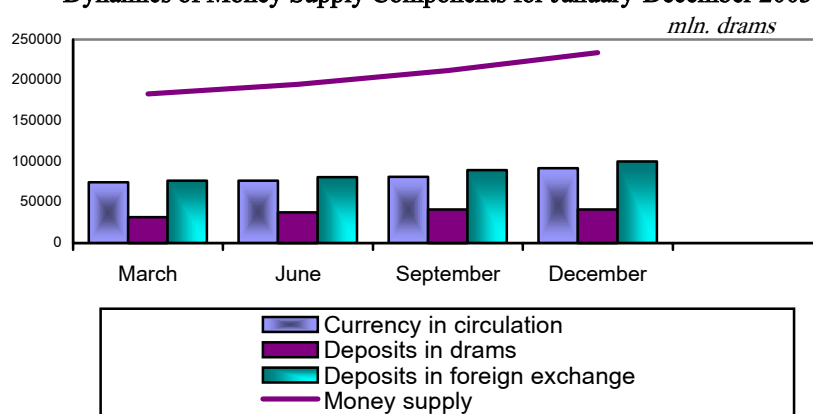
¹ Due to changes in the new account cards of banks, the claims of economy are classified according to the principles of internal economy sectoring. A part of the accounts included in the sector of "Other branches of economy" formerly published in the tables are reclassified as a claim to the "Organizations" sector, and the claims of "Other financial organizations" are withdrawn from the claims of "Organizations" sector, as a result of which the indicators of appropriate lines differ from the indicators reflected in the previous publications. Formerly, the claims of "Other financial organizations" sector have been included in the line "Enterprises and organizations".

² According to the active and passive components

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	2003			
	March	June	September	December
Government	-1.3	-7.5	-6.2	-6.2
Economy ¹	47.9	47.5	43.6	44.1
<i>including</i>				
Organizations	30.9	29.3	26.2	26.1
Households	14.3	15.7	14.6	15.2
Public organizations	0.0	0.0	0.0	0.0
Other financial organizations	2.7	2.5	2.8	2.8
Other net assets	-23.5	-22.1	-22.1	-22.5
Money supply, total	100	100	100	100.0
<i>including</i>				
Currency outside the banking system	40.8	39.3	38.3	39.3
Demand deposits	11.2	12.2	13.1	13.4
Term, saving deposits (in drams)	6.1	7.1	6.3	4.3
Deposits in foreign exchange	41.9	41.4	42.3	43.0

Dynamics of Money Supply Components for January-December 2003



Financial Market Interest Rates

	2003			
	March	June	September	December
Commercial banks' operations interest rates				
Credits ²	19.39	19.92	18.82	20.93
Deposits ²	7.86	6.42	6.42	6.41
CBA repo operations interest rates	10.0	10.0	9.0	7.0

Structure of Commercial Banks Credits³

(as of the end of month, mln. drams)

		2003			
		31.03	30.06	30.09.	31.12.
1.	Credits, total	85471	94966	96268	107060
1.1.	Credit investments	76309	87541	89125	100757
1.1.1.	Credits in foreign currency	56987	60480	59296	66872
1.1.1.1	short-term	30485	31185	32344	36183

¹ Due to changes in the new account cards of banks, the claims of economy are classified according to the principles of internal economy sectoring. A part of the accounts included in the sector of "Other branches of economy" formerly published in the tables are reclassified as a claim to the "Organizations" sector, and the claims of "Other financial organizations" are withdrawn from the claims of "Organizations" sector, as a result of which the indicators of appropriate lines differ from the indicators reflected in the previous publications. Formerly, the claims of "Other financial organizations" sector have been included in the line "Enterprises and organizations".

² Calculated the credits and deposits only in drams (excluding interbank market) with the maturity period from 15 days up to 1 year.

³ Includes data of the banks whose liabilities comply with definition of principles of money.

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		2003			
		31.03	30.06	30.09.	31.12.
1.1.1.2.	long-term	26501	29295	26953	30689
1.1.2.	Credits in drams	19322	27062	29829	33885
1.1.2.1.	short-term	13013	20281	18554	19985
1.1.2.2.	long-term	6309	6781	11274	13900
1.2.	Extended credits of banks	4827	4514	5365	4780
1.2.1.	short-term	3647	464	1445	981
1.2.2.	long-term	1180	4050	3920	3798
1.3.	Overdue credits of banks	4336	2911	1778	1523
1.3.1.	short-term	4336	2911	1778	1523
1.3.2.	long-term	-	-	-	0

Structure of Commercial Banks Credits ¹

(in % to total)

		2003			
		31.03	30.06	30.09.	31.12.
1.	Credits, total	100	100	100	100.0
1.1.	Credit investments	89.3	92.2	92.6	94.1
1.1.1.	Credits in foreign currency	66.7	63.7	61.6	62.5
1.1.1.1.	short-term	35.7	32.8	33.6	33.8
1.1.1.2.	long-term	31.0	30.8	28.0	28.7
1.1.2.	Credits in drams	22.6	28.5	31.0	31.7
1.1.2.1.	short-term	15.2	21.4	19.3	18.7
1.1.2.2.	long-term	7.4	7.1	11.7	13.0
1.2.	Extended credits of banks	5.6	4.8	5.6	4.5
1.2.1.	short-term	4.3	0.5	1.5	0.9
1.2.2.	long-term	1.4	4.3	4.1	3.5
1.3.	Overdue credits of banks	5.1	3.1	1.8	1.4
1.3.1.	short-term	5.1	3.1	1.8	1.4
1.3.2.	long-term	-	-	-	-

In the banks the balance of deposits from the population as of the 31 December 2003 comprised 70899 mln. drams, to 591082 mln. drams of the 31 December 2002, the increase of which comprised 19.9%.

Number of Clients and Their Accounts in the RA Banking System for 2003

	March	June	September	December	
				in the banking system	<i>including</i> in the banks managed by the temporary administration
Clients ² , total					
<i>including</i>	367122	368338	381149	390289	199
Legal persons	36172	33012	33142	33141	144
Natural persons	330950	335326	348007	357148	55
Accounts ² , total					
<i>including</i>	382218	369331	384567	398249	238
Legal persons	50413	42974	43981	42671	178
Natural persons	331805	326357	340586	355578	60
Joint accounts of ArmSavingsBank	37	37	37	37	
Clients keeping joint accounts of ArmSavingsBank	3469503	3469499	3469496	3469495	

¹ Includes data of the banks whose liabilities comply with definition of principles of money.

² The clients and number of their accounts involved in the joint accounts are not covered in the number of total customers in the banking system.

Commercial Bank Deposits by Sectors of Economy¹

(as of the end of month, mln. drams)

	Deposits from	2002	2003			
		December	March	June	September	December
1.	Non residents ²	39938	34760	38858	37504	44264
1.1	in foreign exchange	36626	32747	36406	34271	41630
1.2	in drams	3311	2012	2452	3233	2634
2.	Residents ³	113676	107432	117261	129505	140501
2.1	In drams	34986	31076	36903	40533	40577
2.1.1	Demand deposits (including accounts)	25538	20137	23275	27488	30601
2.1.1.1	Enterprises ⁴	18699	14079	17755	19672	22856
2.1.1.1.1	private	9598	8740	11466	12779	14713
2.1.1.1.2	with state equity	9101	5339	6288	6893	8143
2.1.1.2	Households	3148	2691	3068	3873	4386
2.1.1.3	Public organizations	3691	3367	2429	3191	3076
2.1.1.4	Other financial organizations ⁵	0	0	23	752	284
2.1.2	Term	9448	10939	13629	13045	9975
2.1.2.1	Enterprises ⁴	1441	2606	2393	2864	3245
2.1.2.1.1	private	667	897	1135	1274	1124
2.1.2.1.2	with state equity	774	1709	1258	1589	2121
2.1.2.2	Households	3495	3470	3793	3676	3653
2.1.2.3	Public organizations	4512	4851	7442	6380	3039
2.1.2.4	Liabilities related to repo agreements with the resident economic units	0	0	0	0	0
2.1.2.5	Other financial organizations ⁵	0	12	1	125	38
2.2	In foreign currency	78689	76356	80358	88972	99924
2.2.1	Demand deposits (including accounts)	36853	33125	37517	42531	51028
2.2.1.1	Enterprises ⁴	14499	9822	11247	12950	16508
2.2.1.1.1	private	11712	8755	9578	11846	14947
2.2.1.1.2	with state equity	2787	1067	1669	1105	1561
2.2.1.2	Households	17750	18813	21679	24779	27864
2.2.1.3	Public organizations	4604	4489	4591	4487	6000
2.2.1.4	Other financial organizations ⁵	0	1	0	315	656
2.2.2	Term deposits	41836	43231	42841	46441	48896
2.2.2.1	Enterprises ⁴	5467	5809	4942	5769	5671
2.2.2.1.1	private	4826	5039	4249	4619	4339
2.2.2.1.2	with state equity	642	770	693	1150	1332
2.2.2.2	Households	30409	30184	32187	33444	34996
2.2.2.3	Public organizations	5960	7053	5595	7108	8115
2.2.2.4	Other financial organizations ⁵	0	185	117	120	113
	Deposits, total	153613	142191	156119	167009	184765

¹ Includes data of the banks whose liabilities comply with definition of principles of money² Accrued interests are excluded. Frozen accounts and deposits are included.³ Demand (including accounts) and term deposits of resident enterprises, households and non-profit institutions are covered.⁴ The deposits of "Other financial organizations" have been included in this line until December 2002.⁵ Such deposits haven't been foreseen in the previous account card. Deposits of other financial organizations are included in the deposits of enterprises.

Commercial Bank Credits by Sectors of Economy¹

(as of the end of month, mln. drams)

	Credits ² to	December 2002	2003			
			March	June	September	December
1	Non- residents³	5123	5816	5712	5789	5440
1.1	in drams	3	901	1316	2445	2588
1.2	in foreign exchange	5120	4915	4396	3344	2852
2	Residents	85405	83159	89119	90893	102096
2.1	in drams	19727	22701	26304	28673	32528
2.1.1	Enterprises ⁴	15496	14974	17482	20340	22680
2.1.1.1	private ⁵	14302	13227	16206	19690	21124
2.1.1.2	with state equity	927	1747	1276	650	1557
2.1.2	Households ⁶	4168	4343	4986	5756	7695
2.1.3	Public organizations	63	62	5	6	12
2.1.4	Other financial organizations ⁷	0	3322	3831	2571	2141
2.1.5	Other credits to	0	0	0	0	0
2.2	in foreign exchange	65679	60458	62815	62220	69568
2.2.1	Enterprises ⁴	44180	37566	36596	34365	37919
2.2.1.1	private ⁵	35624	31436	31653	28533	32287
2.2.1.2	with state equity	7194	6130	4943	5832	5631
2.2.2	Households ⁶	21498	21216	25099	24550	27219
2.2.3	Public organizations	0	13	15	33	47
2.2.4	Other financial organizations ⁷	0	1559	1060	3237	4346
2.2.5	Other credits		104	45	36	37
Credits, total		90528	88975	94831	96683	107536

Cash Turnover in RA Banking System

(mln. drams)

	December 2002	January-December 2002	December 2003	January-December 2003
Receipts	56031.7	496099.7	67188.1	673489.9
<i>of which from the sale of foreign currency</i>	15677.9	141154.7	18596.2	150849.8
Expenditures	72631.1	521495.7	79701.5	678239.4
<i>of which for the purchase of foreign currency</i>	16666.5	158129.9	19408.8	208820.1
Excess of expenditures over receipts	16599.4	25396.0	12513.4	4749.5
<i>of which excess of expenditures of foreign currency purchase and sale over receipts</i>	988.6	16975.2	812.6	57970.3

¹ Includes data of the banks whose liabilities comply with definition of principles of money.² Accrued interests are excluded. Foreign exchange credits include convertible and non-convertible currencies. In comparison with the publications of 2002, some reclassifications have been made in this table, as a result of which credits include factoring and leasing operations with the appropriate units of the real sector as well as repo agreements.³ Credits to non-resident enterprises, organizations and households are included.⁴ Indicators for December 2002 include leasing and factoring operations therefore those indicators differ from the previous publications.⁵ Credits to non-state resident enterprises are included.⁶ Including credits to the bank employees and related persons.⁷ Such claims haven't been foreseen in the previous account card since December 2002. Claims of other financial organizations are included in the line "Enterprises".