

Monthly Report Published by the Union of Credit Organizations of the Republic of Armenia

December, 2015



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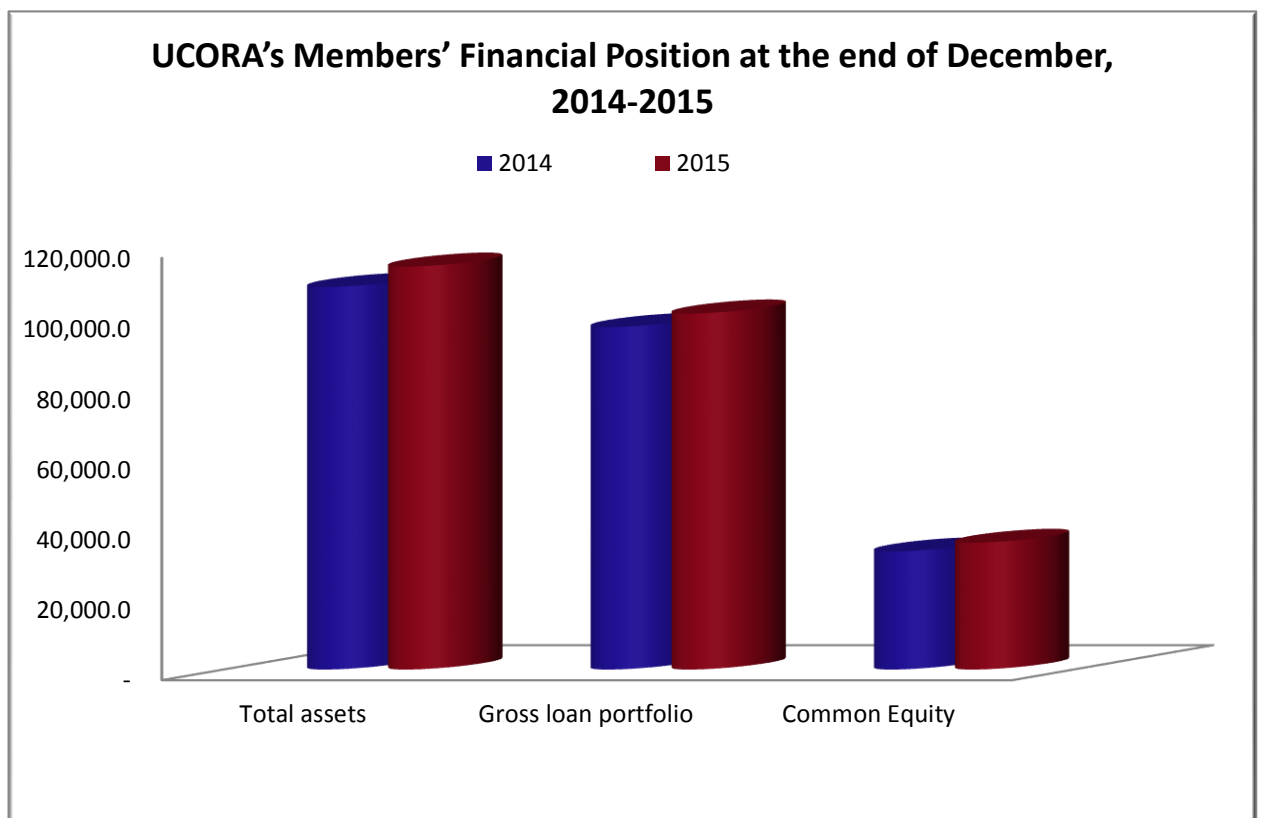
Summary of the Used Economic Indicators

The members of the Union of Credit Organizations of the Republic of Armenia (UCORA) provide ten economic indicators about their economic activity to UCORA on a monthly basis. Based on these indicators UCORA implements financial analysis which aims to introduce economic movements in loan industry to the members of the Union. Some of the indicators are publicly available information which have been obtained from the quarterly reports of the credit organizations. However, UCORA's member organizations provide other economic indicators which are not represented in their public quarterly reports.

Financial Position

- **Assets:** As of 31 December 2015 the total assets of the UCORA's members reached AMD 115.4 billion which exceeded the same indicator on December 2014 by 5.1% and in November 2015 increased by 1.1%. (Figure 1)
- **Loan portfolio:** As of 31 December 2015 the loan portfolio of the UCORA's members amounted to AMD 101.9 billion. The loan portfolio increased by 3.5% compared with December 2014 and decreased by 3.1% compared with November 2015.
- **Equity:** As of the end of December 2015 the total equity of the UCORA's members reached AMD 36,8 billion. Compared with the same date of 2014 the total equity grew by 6.9% and compared with November 2015 by 0.8%.

Figure 1: UCORA's Members' Financial Position at the end of December, 2014-2015

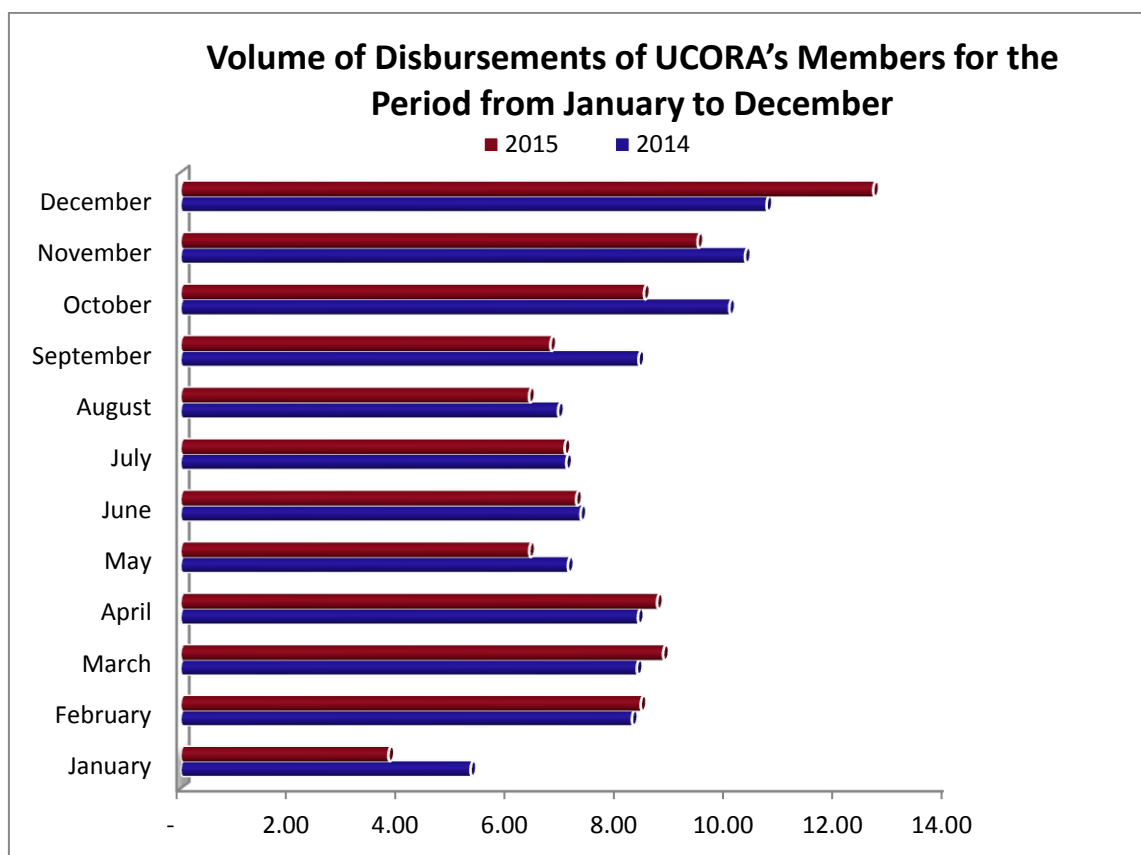


Loan Portfolio and Comparisons

Volume of Disbursements

- As of 31 December 2015 UCORA's members provided AMD 12.7 billion loans which increased by 33.9% compared with the previous month and decreased by 17.3% compared with December 2014. (Figure 2)
- For the period from January to December 2015 the total loan volume provided by UCORA's members amounted to AMD 94.8 billion which decreased by 3.2% compared with the same period of the 2014.

Figure 2: Volume of Disbursements of UCORA's Members for the Period from January to December



Number of Disbursements

- As of December 2015 UCORA's members provided 17,200 loans which increased by 37.1% compared with the previous month, but increased by 17.3% compared with December 2014 (Figure 3).
- For the period from January to December 2015 UCORA's members provided 129,699 loans which decreased by 2.9% compared with the same period of 2014.

- UCORA's members had 144,533 clients by the end of December 2015. Compared with December 2014 the number of clients increased by 1.3% and increased by 0.5% compared with November 2015.
- As of December 2015 average loan volume provided by UCORA's members was AMD 736 thousand and average loan volume of gross loan portfolio was AMD 705 thousand. As of December 2014 the same indicators were respectively AMD 780 and 690 thousand. (Figure 4)

Figure 3: Number of Disbursements of UCORA's Members for the Period from January to December

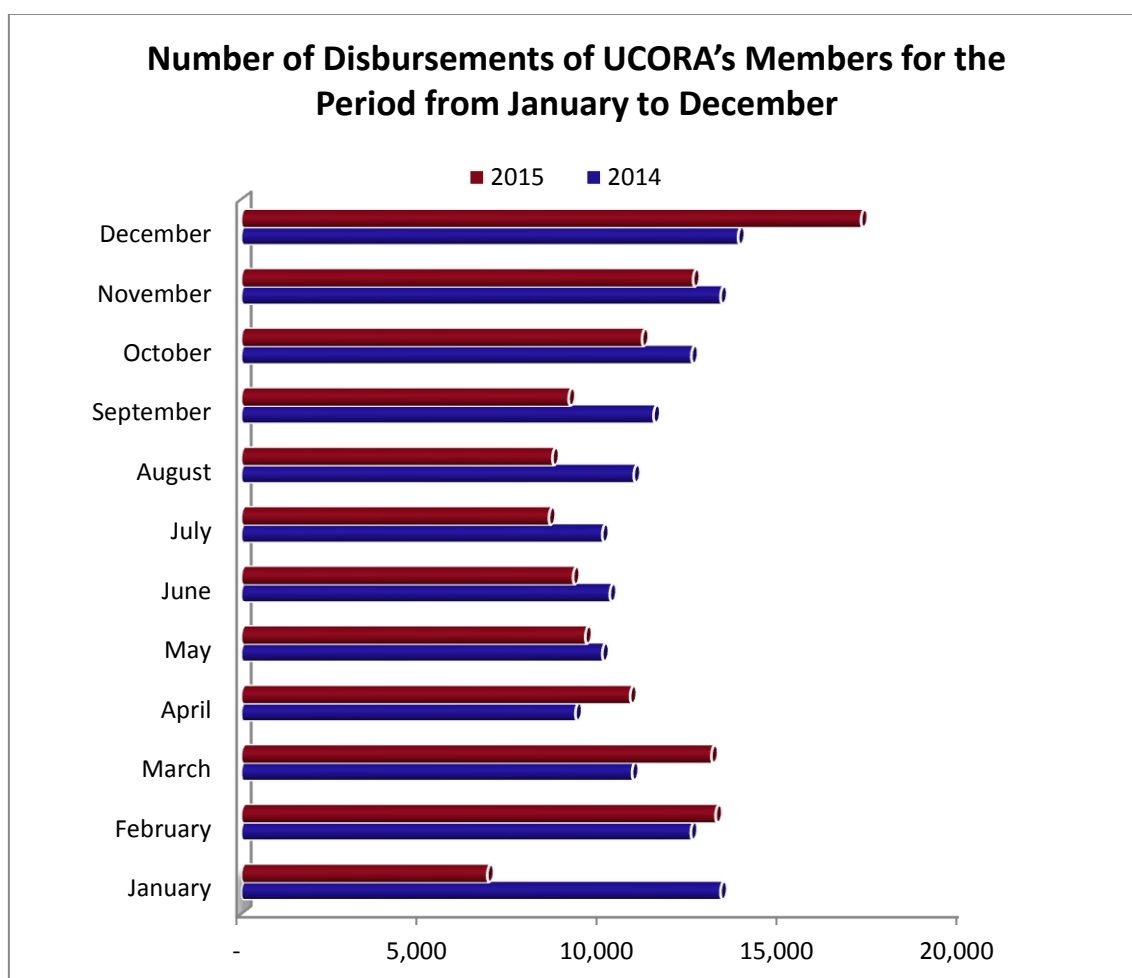
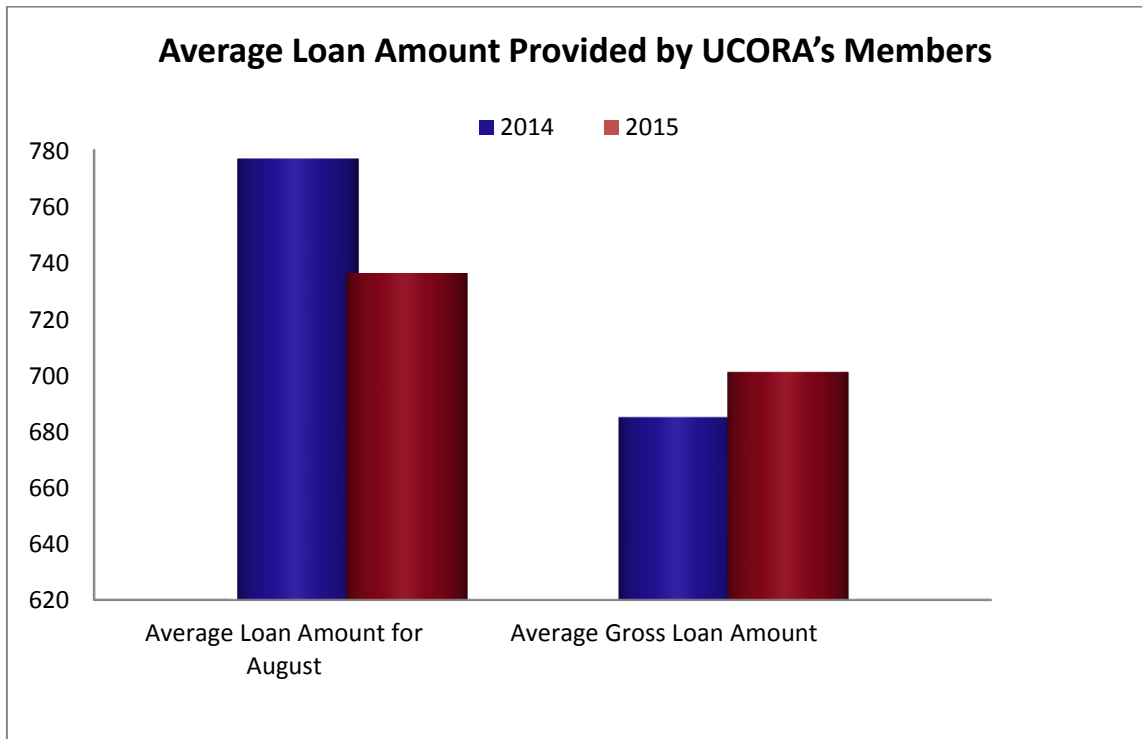


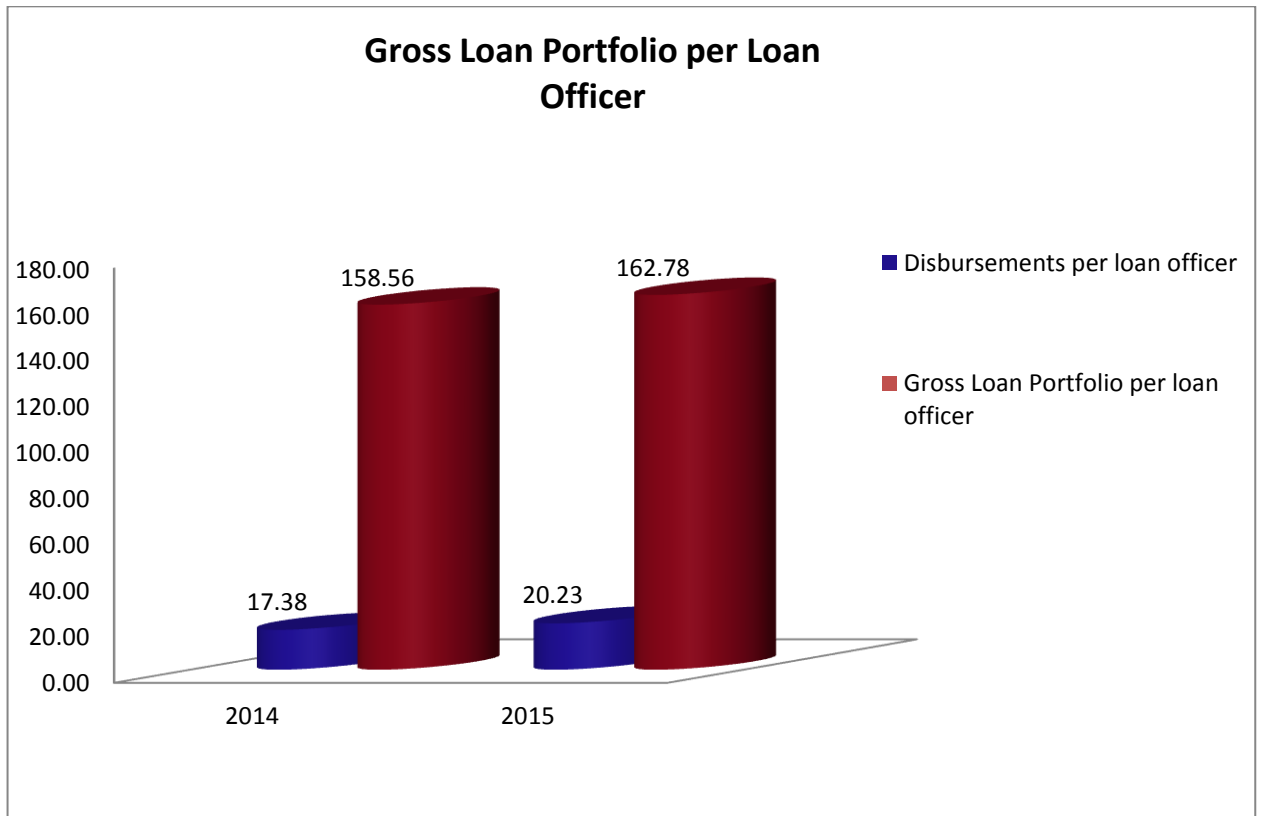
Figure 4: Average Loan Amount Provided by UCORA's Members



Branches and Loan Portfolio Indicators

- As of December 2015 UCORA's members jointly had 130 branches. The number of branches in Armenia increased by 8 compared with December 2014.
- As of December 2015 UCORA's members had 626 credit officers while in December of 2014 the number of credit officers was 621.
- As of December 2015 the average loan portfolio per loan officer amounted to AMD 20.23 million. In previous month the same indicator amounted to AMD 14.80 million and in December 2014 amounted to AMD 17.38 million. (Figure 5)
- As of the end of December 2015 UCORA's members' gross loan portfolio per loan officer amounted to AMD 162.78 million compared to AMD 157.1 million in previous month and AMD 158.6 million in December 2014.

Figure 5: Gross Loan Portfolio per Loan Officer

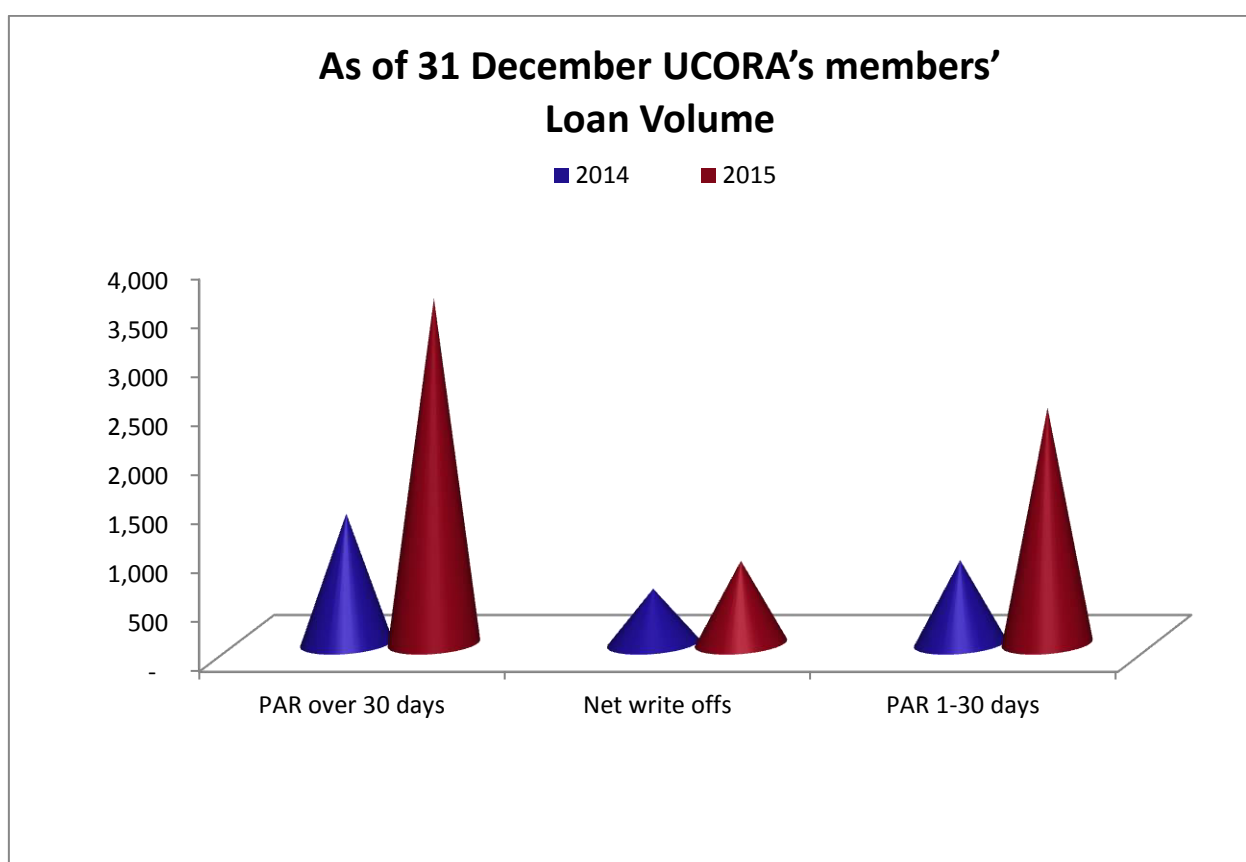


Loan management

- **Up to 30 days PAR:** As of the end of December 2015 UCORA's members' up to 30 days PAR volume amounted to AMD 846.6 million compared to AMD 1,239 million in previous month and AMD 604.2 million in December 2014. Up to 30 days PAR volume increased by 40.1% compared with the same period of the last year and by 31.7% compared with November 2015. Up to 30 days PAR comprised 0.83% share of the total loan portfolio as of the end of December 2015, and 0.61% share in December of 2014 (Figure 6).
- **PAR over 30 days:** As of the end of December 2015 UCORA's members' volume of PAR over 30 days amounted to AMD 3.671 million compared to AMD 3,705 million in previous month and AMD 1,431 million in December 2014. PAR over 30 days volume increased by 156.5% compared with the same period of the last year, decreasing by 0.9% compared with November 2015. As of the end of November 2015 over 30 days PAR comprised 3.60% share of the total loan portfolio. In December 2014 the share of 30 days PAR in the total loan portfolio was 1.45%.

- **Net write offs:** As of the end of December 2015 UCORA's members' volume of net write offs amounted to AMD 2,497 million compared to previous month's volume which was AMD 2.115 million and the volume in December 2014 which was AMD 892.8 million. Net write offs volume increased by 18.1% compared with the previous month and nearly 1.8 times compared with December 2014. UCORA's members' net write offs loan volume amounted to 2.45% share of total loan portfolio in December of this year compared to 2.10% share of the previous month and 0.91% of December 2014.

Figure 6: As of 31 December UCORA's members' Loan Volume



Analytical ratios

- As of December 2015 UCORA's members' gross loan portfolio to assets ratio amounted to 88.3% which reflects the fact that the vast majority of assets is directed to lending. The same indicator amounted to 89.7% in December 2014. (Figure 7)
- As of December of this year UCORA's members' total equity to loan portfolio ratio amounted to 36.1%. This indicator shows that approximately 36% of UCORA's

members' loan volume is carried out due to the equity. The same indicator amounted to 35.0% in Decemberr 2014.

- As of the end of December 2015 UCORA's members' total equity to assets ratio amounted to 31.9% which indicates about high capitalization of the member credit organizations. The same indicator amounted to 31.3% in December 2014. The increase of this indicator compared to the last year shows that member credit organizations have attracted more funds during last year.
- A total liability to equity ratio indicates the portion of liabilities per unit of equity. This indicator also shows loan business management efficiency level. As of November 2015 this indicator for UCORA's members' amounted to 2.14 which means that the liabilities per unit of equity exceeded the level of equity by 2.14 times. The same indicator amounted to 2.19 for November of the previous year. The decrease of equity to liabilities ratio indicates about the decrease of loan business management

Figure 7: Analytical Ratios for UCORA's Members

