
President Of Armenia Met With Heads Of Commercial Banks

RIA OREANDA Russia - 11/12/2008

On December 05, 2008 President Serzh Sargsyan invited a working meeting with the participation of the heads of the Armenias commercial banks, reported the Official website <http://news.president.am> .

The President of Armenia said that the purpose of the meeting is to define the steps which would be necessary to take in the wake of the deepening global financial crisis. Naturally, it should be done taking into consideration the opinion of the banking system.

Speaking about the activities of the banking system during this period, the President of Armenia said, Thanks to our banks we were able to withstand the first wave of the crisis with no serious damage. I believe it was conditioned not in the lesser degree by our wise policy regarding both the attraction of resources as well as their distribution.

I have often heard people saying that they trust the Armenian banks. It is undoubtedly an advantage and we ought to use it to its best. Now, when the financial crisis has been followed by the economic crisis, we should be able together with you to develop efficient measures to nourish those areas of economy which can bring profit, develop and create new jobs. And there are such businesses in Armenia.

There are programs and these programs, even with a little financing, with the help of loans can be implemented. First of all, I am referring to small and medium businesses. You should be very active regarding these issues. Really, our banking system should be become a source of nourishment for the small and medium businesses. This should be your main objective and on this mission you will be, of course, supported by the state. We must foster the exports.

I have been and will be pursuing these issues. Rest assured that the major package already adopted by the Government is the first step and not the last one. We should be able to continue to work with the same merit we have working with for the last months.

And I repeat, we will support your efforts, we will be constantly looking for, finding and providing new resources, while you must use these resources for the development of our economy and the increase of our exports.

According to Serzh Sargsyan, there are many factors in Armenia which make it possible to mitigate the repercussions of the global economic crisis. We can not remain isolated, can not declare that the global crisis will have no impact on Armenia, however there are many factors that can help minimize the consequences of the crisis, the President of Armenia noted and added that there were much more trying times in our states development process, in our economy, and this is not the worst of times.

Serzh Sargsyan expressed readiness to listen to the proposals and recommendations of the participants to the meeting.

The Chairman of the Central Bank Arthur Javadian spoke about developments in the banking system during the year of 2008 and currently observable trends. He said that the system stands out by its high degree of capitalization and liquidity which results in its stability and ability to absorb a number of

risks. The system is functioning in the atmosphere of mutual trust and assistance.

According to the Chairman of the CB, the augmentation of the initial capital in some banks, which took place earlier this year, continues even now. Deposits by physical persons are also on the rise. In his words, the relations of the Armenian commercial banks with the international institutions have also improved which resulted in signing in the second half of the year of the agreements worth 80 million ADM, all of which are long-term financial instruments.

The participants to the meeting concurred that the proper use of the competitive and relative advantages of our country would provide an opportunity to mitigate the results of the global crisis.

Discussed were also other issues related to the banking system, such as long-term and low interest loans, real estate and property securities. President Sargsyan discussed with the bankers possible solutions to all raised issues, and took note of their comments and proposals. He said that the final solutions for many of the mentioned issues would be forthcoming.

Concluding the meeting, the President of Armenia underscored once again that that the state possesses sufficient resources to assist the banking system on the relevant issues, while the banks should work with a new ardor in the field of providing loans to the businesses.
