

Consolidated Statement of comprehensive income

September 30, 2022

Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	01/07/22-30/09/22	01/01/22-30/09/22	01/07/21-30/09/21	01/01/21-30/09/21
Interest revenue calculated using effective interest rate	24	7,742,650	21,959,373	6,701,815	19,727,885
Other interest revenue	24	26,597	72,076	23,464	74,006
Interest expense	24	(3,495,726)	(10,575,178)	(3,144,802)	(8,919,732)
Net interest income		4,273,521	11,456,271	3,580,477	10,882,159
Credit loss expense	25	(662,768)	(639,396)	(1,531,043)	(3,499,958)
Net interest income after credit loss expense		3,610,753	10,816,875	2,049,434	7,382,201
Fee and commission income	26	1,956,608	4,561,240	1,140,912	2,921,182
Fee and commission expense	26	(597,015)	(1,951,600)	(575,796)	(1,426,015)
Net trading income	27	4,037,630	10,134,260	582,034	1,383,165
Net gain(loss) from foreign currency translation		(394,820)	(1,844,716)	(241,810)	(915,542)
Gains less losses from investment securities available for sale		(101,583)	(139,902)	35,687	116,468
Other income	28	194,511	613,699	308,906	906,970
Non-interest income		5,095,331	11,372,981	1,249,933	2,986,228
Personnel expenses	29	(2,084,916)	(5,589,555)	(1,373,213)	(4,272,151)
Depreciation of property and equipment	11	(289,896)	(861,984)	(316,215)	(917,600)
Amortization of intangible assets	12	(17,293)	(46,806)	(11,519)	(38,203)
Other operating and administrative expenses	29	(947,982)	(2,840,414)	(990,911)	(3,008,535)
Non-interest expense		(3,340,087)	(9,338,759)	(2,691,858)	(8,236,489)
Profit before income tax expense		5,365,997	12,851,097	607,509	2,131,940
Profit tax expense	19	(980,172)	(2,754,270)	(186,434)	(622,279)
Profit for the period		4,385,825	10,096,827	421,075	1,509,661
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Unrealised gains/(losses) on investments at fair value through other comprehensive income		(2,354,665)	(3,632,710)	(647,028)	(770,199)
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		101,583	139,902	(35,687)	(116,468)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		51,464	55,123	15,451	41,453
Income tax effect	19	396,291	618,783	120,108	152,139
Net other comprehensive income to be reclassified subsequently to profit or loss		(1,805,327)	(2,818,902)	(547,156)	(693,075)
Other comprehensive income for the year, net of tax		(1,805,327)	(2,818,902)	(547,156)	(693,075)
Total comprehensive income for the year		2,580,498	7,277,925	(126,081)	816,586

Approval date 14.10.22

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



Consolidated Statement of financial position
September 30, 2022
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	30/09/22	31/12/21
ASSETS			
Cash and cash equivalents	6	71,323,344	56,470,480
Trading securities	7	830,189	854,438
Amounts due from banks	8	40,898,290	21,813,642
Derivative financial assets	16	179,380	6,862
Loans and advances to customers	9	222,832,229	234,288,706
Investment securities	10	89,959,274	40,638,892
Investment securities pledged under repurchase agreements	10	1,004,259	9,509,290
Property, plant and equipment	11	7,970,646	8,202,522
Intangible assets	12	533,557	567,275
Repossessed assets	13	2,307,934	2,529,398
Prepayments on profit tax	19	-	-
Other assets	14	2,469,437	2,690,295
Total assets		440,308,539	377,571,800
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	3,443,868	12,978,711
Derivative financial liabilities	16	412,064	48,311
Amounts due to customers	17	320,391,433	261,422,606
Bonds issued by the Bank	18	16,624,085	17,235,691
Income tax liabilities		2,119,498	699,521
Deferred income tax liabilities	19	415,927	904,643
Other borrowed funds	20	34,309,968	29,144,282
Lease liabilities	11	1,435,893	1,440,047
Subordinated debt	21	289,540	336,885
Provisions on contingent liabilities	22	187,206	149,784
Other liabilities	14	2,309,557	1,610,054
Total liabilities		381,939,039	325,970,535
Equity			
Share capital	23	19,947,633	19,947,633
Share premium		63,233	63,233
Statutory general reserve		8,848,182	3,848,182
Revaluation surplus for land and buildings		3,174,362	3,233,483
Revaluation reserve for financial assets at FVOCI		(3,988,974)	(1,170,072)
Retained earnings		30,325,064	25,678,806
Total equity		58,369,500	51,601,265
Total liabilities and equity		440,308,539	377,571,800

Approval date 14.10.22

Chief Executive Officer,
Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



Consolidated Statement of changes in equity
September 30, 2022
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Share capital	Share premium	Statutory general reserve	Revaluation reserve of securities available for sale	Revaluation reserve of PPE	Retained earnings	Total
Balance as of January 1, 2021/audited/	19,947,633	63,233	3,627,805	(328,381)	3,360,688	21,645,069	48,316,047
Issue of share capital							-
Distribution to general reserve			220,377			(220,377)	-
Dividends to shareholders						-	-
Total Transactions with owners	-	-	220,377	-	-	(220,377)	-
Profit for the period						1,509,661	1,509,661
Other comprehensive income for the period				(693,075)		-	(693,075)
Total comprehensive income for the period	-	-	-	(693,075)	-	1,509,661	816,586
Depreciation of revaluation reserve					(95,404)	95,404	-
Balance as of September 30, 2021	19,947,633	63,233	3,848,182	(1,021,456)	3,265,284	23,029,757	49,132,633
Balance as of January 1, 2022/audited/	19,947,633	63,233	3,848,182	(1,170,072)	3,233,483	25,678,806	51,601,265
Issue of share capital							-
Distribution to general reserve			5,000,000			(5,000,000)	-
Dividends to shareholders						(509,690)	(509,690)
Total Transactions with owners	-	-	5,000,000	-	-	(5,509,690)	(509,690)
Profit for the period						10,096,827	10,096,827
Other comprehensive income for the period				(2,818,902)		-	(2,818,902)
Total comprehensive income for the period	-	-	-	(2,818,902)	-	10,096,827	7,277,925
Depreciation of revaluation reserve					(59,121)	59,121	-
Balance as of September 30, 2022	19,947,633	63,233	8,848,182	(3,988,974)	3,174,362	30,325,064	58,369,500

Approval date 14.10.22

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



Consolidated Statement of cash flows
September 30, 2022
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	01/01/2022- 30/09/2022	01/01/2021- 30/09/2021
Cash flows from operating activities		
Interest received	23,060,602	18,103,346
Interest paid	(10,477,785)	(8,709,546)
Fees and commissions received	4,561,240	2,921,183
Fees and commissions paid	(1,951,600)	(1,426,015)
Net trading income received	10,385,128	1,454,449
Other income received	594,630	891,750
Personnel expenses paid	(5,027,622)	(3,704,271)
Administrative and other operating expenses paid	(2,791,041)	(3,041,497)
Cash flows from operating activities before changes in operating assets and liabilities	18,353,552	6,489,399
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	4,533	(9,754)
Amounts due from banks	(26,087,333)	(3,477,803)
Loans and advances to customers	(12,146,926)	(10,302,255)
Repossessed assets	547,960	431,367
Other assets	14,141	(1,294,477)
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to banks	(7,761,870)	15,411,037
Amounts due to customers	96,581,539	36,491,920
Derivative financial liabilities	97,066	94,567
Other liabilities	128,318	304,486
Net cash flows from operating activities before income tax	69,730,979	44,138,487
Income tax paid	(1,265,086)	(62,177)
Net cash from / (used in) operating activities	68,465,893	44,076,310
Net cash flow from investing activities		
Purchase of investment securities	(52,078,274)	(19,158,662)
Proceeds from sale and redemption of investment securities	5,820,842	6,466,630
Purchase of property and equipment	-	(618,198)
Proceeds from sale of property and equipment	540,806	165,185
Purchase of intangible assets	(13,088)	(55,265)
Net cash from / (used in) investing activities	(45,729,714)	(13,200,310)
Net cash flow from financing activities		
Paid dividends	(509,690)	-
Proceeds from debt securities issued	6,056,500	9,083,114
Redemption of debt securities issued	(5,715,100)	(11,431,450)
Proceeds from other borrowed funds	9,594,081	5,160,542
Repayment from other borrowed funds	(4,471,510)	(3,716,396)
Repayment of subordinated loans	-	-
Lease liabilities	(975,868)	(451,828)
Net cash from / (used in) financing activities	3,978,413	(1,356,018)
Net increase/(decrease) in cash and cash equivalents	26,714,593	29,519,982
Cash and cash equivalents at the beginning of the year	56,470,480	33,344,488
Effect of exchange rates changes on cash and cash equivalents	(11,864,016)	(3,748,380)
Effect of expected credit losses on cash and cash equivalents	2,287	(10,221)
Cash and cash equivalents, ending of period	71,323,344	59,105,869

Approval date 14.10.22

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



The main economical normatives

September 30, 2022

Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Actual	Limitations established by Central Bank	Number of break during quarter
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Minimum statutory fund of the bank	19,947,633	50,000	no violation
Minimum total capital of the bank	49,102,647	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	15.51%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	15.40%	12.00%	no violation
N2.1 High liquid assets/ Total assets	45.81%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	45.25%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	115.01%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	100.83%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	251.47%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	439.05%	100.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	172.51%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I group CCY	182.51%	100.00%	no violation
N3.1 Maximum risk on a single borrower	6.19%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	14.94%	500.00%	no violation
N4.1 Maximum risk on bank related person	0.85%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	8.16%	20.00%	no violation
N5.1 Maximum deviation of loan to value ratio(AMD)	0.00%	10.00%	no violation
N5.2 Maximum deviation of loan to value ratio(Foreign currency)	1.73%	5.00%	no violation
Minimum requirement for obligatory reserves allocated with the CBA			
for AMD	X	4.00%	
for USD		12%-USD,6% -AMD	
for EUR		12%-EUR,6% -AMD	no violation
Foreign currency position /Total capital /with Derivatives/	1.74%	10.00%	no violation
Foreign currency position /Total capital	2.96%	10.00%	no violation
Foreign currency position by separate currencies			
for USD	0.45%	7.00%	no violation
for EUR	0.15%	7.00%	no violation
for RUB	0.06%	7.00%	no violation
other	X	X	no violation

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