

Consolidated Statement of comprehensive income

December 31, 2022

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

In thousand Armenian drams	Notes	01/10/22-31/12/22	01/01/22-31/12/22	01/10/21-31/12/21	01/01/21-31/12/21
Interest revenue calculated using effective interest rate	24	8,218,001	30,177,374	6,777,110	26,504,995
Other interest revenue	24	25,967	98,043	23,292	97,298
Interest expense	24	(3,576,732)	(14,151,910)	(3,292,747)	(12,212,479)
Net interest income		4,667,236	16,123,507	3,507,655	14,389,814
Credit loss expense	25	(1,635,264)	(2,274,660)	734,506	(2,765,452)
Net interest income after credit loss expense		3,031,972	13,848,847	4,242,161	11,624,362
Fee and commission income	26	2,583,394	7,144,634	1,240,913	4,162,095
Fee and commission expense	26	(966,973)	(2,918,573)	(644,396)	(2,070,411)
Net trading income	27	3,492,436	13,626,696	451,797	1,834,962
Net gain(loss) from foreign currency translation		342,845	(1,501,871)	470,638	(444,904)
Gains less losses from investment securities available for sale		(3,438)	(143,340)	(1,495)	114,973
Other income	28	255,195	868,894	393,305	1,300,275
Non-interest income		5,703,459	17,076,440	1,910,762	4,896,990
Personnel expenses	29	(2,342,619)	(7,932,174)	(1,674,170)	(5,946,321)
Depreciation of property and equipment	11	(281,682)	(1,143,666)	(327,234)	(1,244,834)
Amortization of intangible assets	12	(17,765)	(64,571)	(11,530)	(49,733)
Other operating and administrative expenses	29	(1,160,616)	(4,001,030)	(916,898)	(3,925,433)
Other impairment and provisions		(5,886)	(5,886)	-	-
Non-interest expense		(3,808,568)	(13,147,327)	(2,929,832)	(11,166,321)
Profit before income tax expense		4,926,863	17,777,960	3,223,091	5,355,031
Profit tax expense	19	(992,341)	(3,746,611)	(605,843)	(1,228,122)
Profit for the period		3,934,522	14,031,349	2,617,248	4,126,909
Other comprehensive income					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Revaluation of property and equipment		627,598	627,598	-	-
Income tax effect	19	(112,968)	(112,968)	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		514,630	514,630	-	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Unrealised gains/(losses) on investments at fair value through other comprehensive income		(167,064)	(3,799,774)	(144,674)	(914,873)
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		3,438	143,340	1,495	(114,973)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		28,757	83,880	(38,059)	3,394
Income tax effect	19	24,277	643,060	32,622	184,761
Net other comprehensive income to be reclassified subsequently to profit or loss		(110,592)	(2,929,494)	(148,616)	(841,691)
Other comprehensive income for the year, net of tax		404,038	(2,414,864)	(148,616)	(841,691)
Total comprehensive income for the year		4,338,560	11,616,485	2,468,632	3,285,218

Approval date 13.01.23

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



Consolidated Statement of changes in equity
December 31, 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						4,126,909	4,126,909
Other comprehensive income for the period				(841,691)		-	(841,691)
Total comprehensive income for the period	-	-	-	(841,691)	-	4,126,909	3,285,218
Depreciation of revaluation reserve					(127,205)	127,205	-
Balance as of December 31, 2021	19,947,633	63,233	3,848,182	(1,170,072)	3,233,483	25,678,806	51,601,265
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						14,031,349	14,031,349
Other comprehensive income for the period				(2,929,494)	514,630	-	(2,414,864)
Total comprehensive income for the period	-	-	-	(2,929,494)	514,630	14,031,349	11,616,485
Depreciation of revaluation reserve					(78,826)	78,826	-
Balance as of December 31, 2022	19,947,633	63,233	8,848,182	(4,099,566)	3,669,287	34,279,291	62,708,060

Approval date 13.01.23

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



Consolidated Statement of cash flows
December 31, 2022
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	01/01/2022- 31/12/2022	01/01/2021- 31/12/2021
Cash flows from operating activities		
Interest received	31,997,700	25,707,177
Interest paid	(15,129,663)	(11,409,297)
Fees and commissions received	7,144,634	4,162,095
Fees and commissions paid	(2,918,573)	(2,070,411)
Net trading income received	13,640,488	1,963,574
Other income received	906,303	1,223,886
Personnel expenses paid	(7,159,567)	(5,616,708)
Administrative and other operating expenses paid	(3,767,225)	(3,856,793)
Cash flows from operating activities before changes in operating assets and liabilities	24,714,097	10,103,523
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	199,480	2,527
Amounts due from banks	(33,058,255)	(5,994,818)
Loans and advances to customers	(16,462,547)	(20,454,659)
Repossessed assets	877,561	663,658
Other assets	(2,411,238)	(883,615)
<i>Net increase/(decrease) in operating liabilities</i>	-	-
Amounts due to banks	(8,304,175)	7,929,823
Amounts due to customers	123,282,184	48,335,368
Derivative financial liabilities	(420,780)	84,926
Other liabilities	76,398	79,309
Net cash flows from operating activities before income tax	88,492,725	39,866,042
Income tax paid	(1,424,552)	(137,389)
Net cash from / (used in) operating activities	87,068,173	39,728,653
Cash flow from investing activities		
Purchase of investment securities	(87,034,114)	(20,471,975)
Proceeds from sale and redemption of investment securities	6,005,493	7,541,171
Purchase of property and equipment	682,544	(811,585)
Proceeds from sale of property and equipment	(277,705)	59,800
Purchase of intangible assets	(150,537)	(289,847)
Net cash from / (used in) investing activities	(80,774,319)	(13,972,436)
Net cash flow from financing activities		
Dividends paid to shareholders	(509,690)	-
Proceeds from debt securities issued	8,214,949	8,218,900
Redemption of debt securities issued	(8,735,050)	(11,352,600)
Proceeds from other borrowed funds	11,654,735	10,943,758
Repayment from other borrowed funds	(6,256,980)	(5,190,879)
Repayment of subordinated loans	-	-
Lease liabilities	(1,211,103)	(581,853)
Net cash from / (used in) financing activities	3,156,861	2,037,326
Net increase/(decrease) in cash and cash equivalents	9,450,715	27,793,543
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	(15,630,746)	(4,659,971)
Effect of expected credit losses on cash and cash equivalents	3,165	(7,580)
Cash and cash equivalents, ending of period	50,293,614	56,470,480

Approval date 13.01.23

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



The main economical normatives

December 31, 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	1,000,000	no violation
Minimum total capital of the bank	54,059,153	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	16.45%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	16.29%	12.00%	no violation
N2.1 High liquid assets/ Total assets	46.92%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	51.48%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	106.22%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	93.94%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	237.29%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	247.14%	100.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	172.07%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I group CCY	189.77%	100.00%	no violation
N3.1 Maximum risk on a single borrower	5.87%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	18.73%	500.00%	no violation
N4.1 Maximum risk on bank related person	0.71%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	6.97%	20.00%	no violation
N5.1 Maximum deviation of loan to value ratio(AMD)	1.35%	10.00%	no violation
N5.2 Maximum deviation of loan to value ratio(Foreign currency)	1.32%	5.00%	no violation
Minimum requirement for obligatory reserves allocated with the CBA			
		4.00%	
for AMD			
for USD	X	12%-in USD,6% -in AMD	
for EUR		12%-in EUR, 6% -in AMD	no violation
Foreign currency position /Total capital	6.60%	10.00%	no violation
for USD	X	7.00%	no violation
for EUR	X	7.00%	no violation
for RUB	0.06%	7.00%	no violation
other	X	X	no violation

Approval date 13.01.23

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan

