

Consolidated Statement of comprehensive income
March 31, 2023
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	01/01/2023- 31/03/2023	01/01/22-31/03/22
Interest revenue calculated using effective interest rate	24	8,575,580	6,986,259
Other interest revenue	24	23,823	21,777
Interest expense	24	(3,609,505)	(3,455,336)
Net interest income		4,989,898	3,552,700
Credit loss expense	25	352,904	(346,971)
Net interest income after credit loss expense		5,342,802	3,205,729
Fee and commission income	26	2,380,944	1,007,828
Fee and commission expense	26	(1,309,465)	(491,740)
Net trading income	27	2,129,757	892,648
Net gain(loss) from foreign currency translation		628,377	(231,406)
Gains less losses from investment securities available for sale		42,861	7,220
Other income	28	331,044	186,282
Non-interest income		4,203,518	1,370,832
Personnel expenses	29	(2,152,484)	(1,735,154)
Depreciation of property and equipment	11	(281,961)	(286,567)
Amortization of intangible assets	12	(20,355)	(13,939)
Other operating and administrative expenses	29	(1,144,889)	(905,247)
Other impairment and provisions		-	-
Non-interest expense		(3,599,689)	(2,940,907)
Profit before income tax expense		5,946,631	1,635,654
Profit tax expense	19	(1,130,903)	(380,262)
Profit for the period		4,815,728	1,255,392
Other comprehensive income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Revaluation of property and equipment			
Income tax effect	19		
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods			
<i>Other comprehensive income to be reclassified subsequently to profit or loss</i>			
Unrealised gains/(losses) on investments at fair value through other comprehensive income		491,404	(533,208)
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(42,861)	(7,220)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		2,603	(1,899)
Income tax effect	19	(81,206)	97,619
Net other comprehensive income to be reclassified subsequently to profit or loss		369,940	(444,708)
Other comprehensive income for the year, net of tax		369,940	(444,708)
Total comprehensive income for the year		5,185,668	810,684

Approval date 14.04.23

Acting Chief Executive Officer

H. Hakobyan

Chief Accountant

D. Azatyan



Consolidated Statement of financial position

March 31, 2023

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

In thousand Armenian drams	Notes	31/03/23	31/12/22
ASSETS			
Cash and cash equivalents	6	61,887,097	50,293,614
Trading securities	7	849,197	823,400
Amounts due from banks	8	41,233,693	47,102,327
Derivative financial assets	16	97,429	197,014
Loans and advances to customers	9	227,575,654	223,808,567
Investment securities	10	131,211,319	125,362,770
Investment securities pledged under repurchase agreements	10	4,116,491	-
Property, plant and equipment	11	9,156,567	8,775,211
Intangible assets	12	764,057	653,241
Repossessed assets	13	1,883,785	2,200,230
Other assets	14	3,027,824	4,896,376
Total assets		481,803,113	464,112,750
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	5,344,338	2,341,009
Derivative financial liabilities	16	2,840	-
Amounts due to customers	17	343,432,936	341,850,325
Bonds issued by the Bank	18	20,200,608	14,692,148
Income tax liabilities		4,207,021	3,260,111
Deferred income tax liabilities	19	201,378	135,369
Other borrowed funds	20	35,728,591	34,501,456
Lease liabilities	11	1,554,653	1,521,514
Subordinated debt	21	-	276,139
Provisions on contingent liabilities	22	137,638	143,061
Other liabilities	14	3,099,382	2,683,558
Total liabilities		413,909,385	401,404,690
Equity			
Share capital	23	19,947,633	19,947,633
Share premium		63,233	63,233
Statutory general reserve		8,848,182	8,848,182
Revaluation surplus for land and buildings		3,645,008	3,669,287
Revaluation reserve for financial assets at FVOCI		(3,729,626)	(4,099,566)
Retained earnings		39,119,298	34,279,291
Total equity		67,893,728	62,708,060
Total liabilities and equity		481,803,113	464,112,750

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Consolidated Statement of changes in equity
 March 31, 2023
 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, 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							-
Dividends to shareholders							-
Total Transactions with owners	-	-	-	-	-	-	-
Profit for the period						1,255,392	1,255,392
Other comprehensive income for the period				(444,708)		-	(444,708)
Total comprehensive income for the period	-	-	-	(444,708)	-	1,255,392	810,684
Depreciation of revaluation reserve				-	(19,708)	19,708	-
Balance as of March 31, 2022	19,947,633	63,233	3,848,182	(1,614,780)	3,213,775	26,953,906	52,411,949
Balance as of January 1, 2023	19,947,633	63,233	8,848,182	(4,099,566)	3,669,287	34,279,291	62,708,060
Issue of share capital							-
Distribution to general reserve							-
Dividends to shareholders							-
Total Transactions with owners	-	-	-	-	-	-	-
Profit for the period						4,815,728	4,815,728
Other comprehensive income for the period				369,940		-	369,940
Total comprehensive income for the period	-	-	-	369,940	-	4,815,728	5,185,668
Depreciation of revaluation reserve				-	(24,279)	24,279	-
Balance as of March 31, 2023	19,947,633	63,233	8,848,182	(3,729,626)	3,645,008	39,119,298	67,893,728

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Consolidated Statement of cash flows
March 31, 2023
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	01/01/2023- 31/03/2023	01/01/2022- 31/03/2022
Cash flows from operating activities		
Interest received	7,809,675	5,615,500
Interest paid	(3,256,386)	(3,599,351)
Fees and commissions received	2,380,944	1,007,828
Fees and commissions paid	(1,309,465)	(491,740)
Net trading income received	2,962,921	755,111
Other income received	166,412	183,690
Personnel expenses paid	(1,712,932)	(1,218,812)
Administrative and other operating expenses paid	(1,246,738)	(975,882)
Cash flows from operating activities before changes in operating assets and liabilities	5,794,431	1,276,344
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	20,851	(10,669)
Amounts due from banks	5,436,776	(7,081,710)
Loans and advances to customers	(4,064,501)	1,265,989
Repossessed assets	502,870	116,634
Other assets	1,911,388	1,004,811
<i>Net increase/(decrease) in operating liabilities</i>	-	-
Amounts due to banks	3,768,935	62,389
Amounts due to customers	4,651,535	23,406,227
Derivative financial liabilities	(777,383)	21,528
Other liabilities	78,819	32,439
Net cash flows from operating activities before income tax	17,323,721	20,093,982
Income tax paid	(199,675)	(68,118)
Net cash from / (used in) operating activities	17,124,046	20,025,864
Cash flow from investing activities		
Purchase of investment securities	(22,805,058)	(12,273,646)
Proceeds from sale and redemption of investment securities	12,947,921	1,460,470
Purchase of property and equipment	(539,255)	(133,744)
Proceeds from sale of property and equipment	119,819	133,744
Purchase of intangible assets	(131,421)	(3,230)
Net cash from / (used in) investing activities	(10,407,994)	(10,816,406)
Net cash flow from financing activities		
Dividends paid to shareholders	-	-
Proceeds from debt securities issued	5,295,222	-
Redemption of debt securities issued	-	-
Proceeds from other borrowed funds	2,263,718	4,425,440
Repayment from other borrowed funds	(1,118,013)	(1,489,578)
Repayment of subordinated loans	(276,346)	-
Lease liabilities	(37,574)	(135,019)
Net cash from / (used in) financing activities	6,127,007	2,800,843
Net increase/(decrease) in cash and cash equivalents	12,843,059	12,010,301
Cash and cash equivalents at the beginning of the year	50,293,614	56,470,480
Effect of exchange rates changes on cash and cash equivalents	(1,253,781)	617,400
Effect of expected credit losses on cash and cash equivalents	4,205	(159)
Cash and cash equivalents, ending of period	61,887,097	69,098,022

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The main economical normatives

March 31, 2023

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

In thousand Armenian drams	Actual	Limitations established by Central Bank	Number of break during quarter
1	2	3	4
Minimum statutory fund of the bank	19,947,633	1,000,000	no violation
Minimum total capital of the bank	59,453,091	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	16.94%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	16.99%	12.00%	no violation
N2.1 High liquid assets/ Total assets	48.12%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	52.39%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	109.59%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	90.77%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	247.51%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	241.19%	100.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	172.06%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I group CCY	196.79%	100.00%	no violation
N3.1 Maximum risk on a single borrower	5.36%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	24.30%	500.00%	no violation
N4.1 Maximum risk on bank related person	0.79%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	6.43%	20.00%	no violation
N5.1 Maximum deviation of loan to value ratio(AMD)	0.39%	10.00%	no violation
N5.2 Maximum deviation of loan to value ratio(Foreign currency)	4.98%	5.00%	no violation
Minimum requirement for obligatory reserves allocated with the CBA			
for AMD		4.00%	
for USD	X	12%-in USD,6% -in AMD	
for EUR		12%-in EUR, 6% -in AMD	no violation
Foreign currency position /Total capital	3.36%	10.00%	no violation
for USD	X	7.00%	no violation
for EUR	X	7.00%	no violation
for RUB	0.28%	7.00%	no violation
other	X	X	no violation

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