

Consolidated Statement of comprehensive income  
June 30, 2023  
Converse Bank CSJC, V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	01/04/23-30/06/23	01/01/23-30/06/23	01/04/22-30/06/22	01/01/22-30/06/22
Interest revenue calculated using effective interest rate	24	8,815,693	17,391,273	7,230,464	14,216,723
Other interest revenue	24	35,043	58,866	23,702	45,479
Interest expense	24	(3,723,513)	(7,333,018)	(3,624,116)	(7,079,452)
<b>Net interest income</b>		<b>5,127,223</b>	<b>10,117,121</b>	<b>3,630,050</b>	<b>7,182,750</b>
Credit loss expense	25	(1,028,268)	(675,364)	370,343	23,372
<b>Net interest income after credit loss expense</b>		<b>4,098,955</b>	<b>9,441,757</b>	<b>4,000,393</b>	<b>7,206,122</b>
Fee and commission income	26	2,736,130	5,117,074	1,596,804	2,604,632
Fee and commission expense	26	(1,651,262)	(2,960,727)	(862,845)	(1,354,585)
Net trading income	27	1,784,246	3,914,003	5,203,982	6,096,630
Net gain(loss) from foreign currency translation		329,531	957,908	(1,218,490)	(1,449,896)
Gains less losses from investment securities available for sale		20,537	63,398	(45,539)	(38,319)
Other income	28	6,095	337,139	232,906	419,188
<b>Non-interest income</b>		<b>3,225,277</b>	<b>7,428,795</b>	<b>4,906,818</b>	<b>6,277,650</b>
Personnel expenses	29	(2,258,534)	(4,411,018)	(1,769,485)	(3,504,639)
Depreciation of property and equipment	11	(300,918)	(582,879)	(285,521)	(572,088)
Amortization of intangible assets	12	(20,393)	(40,748)	(15,574)	(29,513)
Other operating and administrative expenses	29	(1,289,347)	(2,434,236)	(987,185)	(1,892,432)
Other impairment and provisions		-	-	-	-
<b>Non-interest expense</b>		<b>(3,869,192)</b>	<b>(7,468,881)</b>	<b>(3,057,765)</b>	<b>(5,998,672)</b>
<b>Profit before income tax expense</b>		<b>3,455,040</b>	<b>9,401,671</b>	<b>5,849,446</b>	<b>7,485,100</b>
Profit tax expense	19	(668,845)	(1,799,748)	(1,393,836)	(1,774,098)
<b>Profit for the period</b>		<b>2,786,195</b>	<b>7,601,923</b>	<b>4,455,610</b>	<b>5,711,002</b>
<b>Other comprehensive income</b>					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Revaluation of property and equipment					
Income tax effect	19				
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>-</b>	<b>-</b>		
Other comprehensive income to be reclassified subsequently to profit or loss					
Unrealised gains/(losses) on investments at fair value through other comprehensive income		2,495,976	2,987,380	(744,837)	(1,278,045)
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(20,537)	(63,398)	45,539	38,319
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		4,505	7,108	5,558	3,659
Income tax effect	19	(446,390)	(527,596)	124,873	222,492
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>2,033,553</b>	<b>2,403,494</b>	<b>(568,867)</b>	<b>(1,013,575)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>2,033,553</b>	<b>2,403,494</b>	<b>(568,867)</b>	<b>(1,013,575)</b>
<b>Total comprehensive income for the year</b>		<b>4,819,748</b>	<b>10,005,417</b>	<b>3,886,743</b>	<b>4,697,427</b>

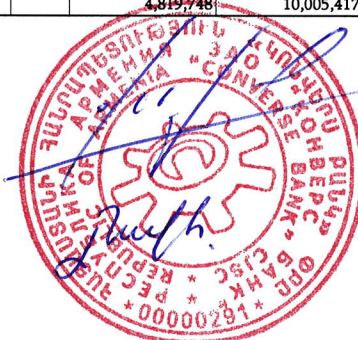
Approval date 14.07.23

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Acting Chief Accountant

L. Hovhannisyan



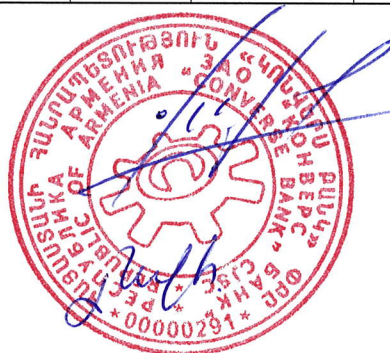
Consolidated Statement of financial position  
June 30, 2023  
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	30/06/2023	31/12/2022
<b>ASSETS</b>			
Cash and cash equivalents	6	45,563,995	50,293,614
Trading securities	7	869,040	823,400
Amounts due from banks	8	39,165,728	47,118,122
Derivative financial assets	16	33,372	197,014
Loans and advances to customers	9	233,396,851	223,976,683
Investment securities	10	122,101,740	125,362,769
Investment securities pledged under repurchase agreements	10	-	-
Property, plant and equipment	11	9,011,532	8,775,341
Intangible assets	12	779,389	653,241
Repossessioned assets	13	1,037,098	2,039,484
Other assets	14	8,685,125	4,896,376
<b>Total assets</b>		<b>460,643,870</b>	<b>464,136,044</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Amounts due to banks	15	879,200	2,341,009
Derivative financial liabilities	16	14,313	-
Amounts due to customers	17	324,467,718	341,850,325
Bonds issued by the Bank	18	19,796,867	14,692,148
Income tax liabilities		1,537,047	3,208,769
Deferred income tax liabilities	19	329,138	138,794
Other borrowed funds	20	36,225,358	34,501,456
Lease liabilities	11	1,576,041	1,521,514
Subordinated debt	21	-	276,140
Provisions on contingent liabilities	22	143,667	143,063
Other liabilities	14	7,326,190	2,687,822
<b>Total liabilities</b>		<b>392,295,539</b>	<b>401,361,040</b>
<b>Equity</b>			
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		3,620,729	3,669,287
Revaluation reserve for financial assets at FVOCI		(1,696,071)	(4,099,566)
Retained earnings		37,564,625	34,346,235
<b>Total equity</b>		<b>68,348,331</b>	<b>62,775,004</b>
<b>Total liabilities and equity</b>		<b>460,643,870</b>	<b>464,136,044</b>

Approval date 14.07.23

Chief Executive Officer, Chairman of Executive Management

Acting Chief Accountant



A. Grigoryan

L. Hovhannisyan



Consolidated Statement of changes in equity

June 30, 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			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						5,711,002	5,711,002
Other comprehensive income for the period				(1,013,575)		-	(1,013,575)
Total comprehensive income for the period	-	-	-	(1,013,575)	-	5,711,002	4,697,427
Depreciation of revaluation reserve	-	-	-	-	(39,414)	39,414	-
Balance as of June 30, 2022	19,947,633	63,233	8,848,182	(2,183,647)	3,194,069	25,919,532	55,789,002
Balance as of January 1, 2023	19,947,633	63,233	8,848,182	(4,099,566)	3,669,287	34,346,235	62,775,004
Issue of share capital							-
Distribution to general reserve							-
Dividends to shareholders						(4,432,091)	(4,432,091)
Total Transactions with owners	-	-	-	-	-	(4,432,091)	(4,432,091)
Profit for the period						7,601,923	7,601,923
Other comprehensive income for the period				2,403,495		-	2,403,495
Total comprehensive income for the period	-	-	-	2,403,495	-	7,601,923	10,005,418
Depreciation of revaluation reserve	-	-	-	-	(48,558)	48,558	-
Balance as of June 30, 2023	19,947,633	63,233	8,848,182	(1,696,071)	3,620,729	37,564,625	68,348,331

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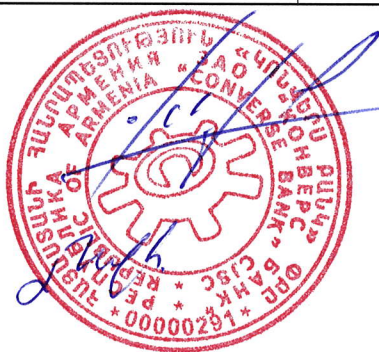
**Consolidated Statement of cash flows**  
June 30, 2023  
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022
<b>Cash flows from operating activities</b>		
Interest received	16,136,326	15,712,463
Interest paid	(7,423,476)	(8,196,059)
Fees and commissions received	5,117,074	2,604,631
Fees and commissions paid	(2,960,727)	(1,354,585)
Net trading income received	5,057,656	6,620,205
Other income received	400,306	388,878
Personnel expenses paid	(4,445,802)	(3,069,073)
Administrative and other operating expenses paid	(2,238,431)	(1,893,002)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>9,642,926</b>	<b>10,813,458</b>
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	33,064	5,476
Amounts due from banks	6,758,950	(23,072,982)
Loans and advances to customers	(10,648,910)	(10,155,770)
Repossession assets	1,121,235	270,452
Other assets	(3,828,838)	81,241
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to banks	(54,009)	(9,013,145)
Amounts due to customers	(16,024,239)	51,760,795
Derivative financial liabilities	(1,043,949)	(131,373)
Other liabilities	4,479,426	(19,188)
<b>Net cash flows from operating activities before income tax</b>	<b>(9,564,344)</b>	<b>20,538,964</b>
Income tax paid	(3,809,313)	(986,480)
<b>Net cash from / (used in) operating activities</b>	<b>(13,373,657)</b>	<b>19,552,484</b>
<b>Cash flow from investing activities</b>		
Purchase of investment securities	(31,687,829)	(23,197,603)
Proceeds from sale and redemption of investment securities	37,061,631	3,668,627
Purchase of property and equipment	(609,434)	-
Proceeds from sale of property and equipment	(74,133)	336,769
Purchase of intangible assets	(166,896)	(8,382)
<b>Net cash from / (used in) investing activities</b>	<b>4,523,339</b>	<b>(19,200,589)</b>
<b>Net cash flow from financing activities</b>		
Dividends paid to shareholders		-
Proceeds from debt securities issued	5,295,222	6,076,931
Redemption of debt securities issued	-	(5,715,100)
Proceeds from other borrowed funds	4,430,854	7,447,827
Repayment from other borrowed funds	(2,725,811)	(2,877,887)
Repayment of subordinated loans	(276,346)	-
Lease liabilities	(290,868)	(581,440)
<b>Net cash from / (used in) financing activities</b>	<b>6,433,051</b>	<b>4,350,331</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,417,267)</b>	<b>4,702,226</b>
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	(2,316,763)	(8,739,227)
Effect of expected credit losses on cash and cash equivalents	4,411	7,519
<b>Cash and cash equivalents, ending of period</b>	<b>45,563,995</b>	<b>52,440,998</b>

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The main economical normatives

June 30, 2023

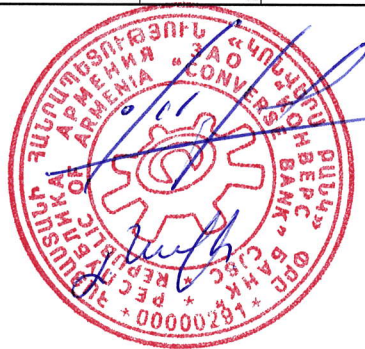
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

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	69,323,750	30,000,000	no violation
N1.1 Tier 1 core capital/ Risk weighted assets	18.71%	6.20%	no violation
N1.2 Tier 1 capital/ Risk weighted assets	18.71%	8.30%	no violation
N1 Total capital/ Risk weighted assets	19.44%	11.00%	no violation
N2.1 High liquid assets/ Total assets	45.82%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	50.81%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	116.21%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	97.04%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	204.72%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	204.86%	100.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	160.33%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I group CCY	171.81%	100.00%	no violation
N3.1 Maximum risk on a single borrower	0.00%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	0.00%	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	6.10%	20.00%	no violation
N5.1 Maximum deviation of loan to value ratio(AMD)	4.48%	10.00%	no violation
N5.2 Maximum deviation of loan to value ratio(Foreign currency)	2.77%	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	0.31%	10.00%	no violation
for USD	X	7.00%	no violation
for EUR	0.09%	7.00%	no violation
for RUB	X	7.00%	no violation
other	X	X	no violation

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