

Consolidated Statement of comprehensive income

September 30, 2023

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

In thousand Armenian drams	Notes	01/07/23- 30/09/23	01/01/23- 30/09/23	01/07/22- 30/09/22	01/01/22- 30/09/22
Interest revenue calculated using effective interest rate	24	9,620,825	27,012,098	7,742,650	21,959,373
Other interest revenue	24	54,448	113,314	26,597	72,076
Interest expense	24	(4,169,139)	(11,502,157)	(3,495,726)	(10,575,178)
Net interest income		5,506,134	15,623,255	4,273,521	11,456,271
Credit loss expense	25	(1,405,230)	(2,080,594)	(662,768)	(639,396)
Net interest income after credit loss expense		4,100,904	13,542,661	3,610,753	10,816,875
Fee and commission income	26	2,574,583	7,691,657	1,956,608	4,561,240
Fee and commission expense	26	(1,801,970)	(4,762,697)	(597,015)	(1,951,600)
Net trading income	27	1,488,863	5,402,866	4,037,630	10,134,260
Net gain(loss) from foreign currency translation		116,683	1,074,591	(394,820)	(1,844,716)
Gains less losses from investment securities available for sale		(4,705)	58,693	(101,583)	(139,902)
Other income	28	238,323	575,462	194,511	613,699
Non-interest income		2,611,777	10,040,572	5,095,331	11,372,981
Personnel expenses	29	(2,208,975)	(6,619,993)	(2,084,916)	(5,589,555)
Depreciation of property and equipment	11	(322,813)	(905,692)	(289,896)	(861,984)
Amortization of intangible assets	12	(22,376)	(63,124)	(17,293)	(46,806)
Other operating and administrative expenses	29	(1,178,327)	(3,612,563)	(947,982)	(2,840,414)
Non-interest expense		(3,732,491)	(11,201,372)	(3,340,087)	(9,338,759)
Profit before income tax expense		2,980,190	12,381,861	5,365,997	12,851,097
Profit tax expense	19	(556,816)	(2,356,564)	(980,172)	(2,754,270)
Profit for the period		2,423,374	10,025,297	4,385,825	10,096,827
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		1,298,065	4,285,447	(2,354,665)	(3,632,710)
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		4,705	(58,693)	101,583	139,902
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		17,850	24,958	51,464	55,123
Income tax effect	19	(237,712)	(765,308)	396,291	618,783
Net other comprehensive income to be reclassified subsequently to profit or loss		1,082,908	3,486,404	(1,805,327)	(2,818,902)
Other comprehensive income for the year, net of tax		1,082,908	3,486,404	(1,805,327)	(2,818,902)
Total comprehensive income for the year		3,506,282	13,511,701	2,580,498	7,277,925

Approval date 13.10.23

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



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

In thousand Armenian drams	Notes	30/09/23	31/12/2022 /audited/
ASSETS			
Cash and cash equivalents	6	51,066,527	50,293,614
Trading securities	7	909,153	823,400
Amounts due from banks	8	31,229,428	47,118,122
Derivative financial assets	16	61,357	197,014
Loans and advances to customers	9	240,452,749	223,976,683
Investment securities	10	143,029,182	125,362,769
Investment securities pledged under repurchase agreements	10	6,133,787	-
Property, plant and equipment	11	9,882,247	8,775,341
Intangible assets	12	846,115	653,241
Reposessed assets	13	952,463	2,039,484
Other assets	14	4,817,828	4,896,376
Total assets		489,380,836	464,136,044
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	7,792,899	2,341,009
Derivative financial liabilities	16	32,164	-
Amounts due to customers	17	345,503,480	341,850,325
Bonds issued by the Bank	18	20,351,659	14,692,148
Income tax liabilities		1,926,698	3,208,769
Deferred income tax liabilities	19	338,666	138,794
Other borrowed funds	20	36,774,329	34,501,456
Lease liabilities	11	1,582,537	1,521,514
Subordinated debt	21	-	276,140
Provisions on contingent liabilities	22	174,240	143,063
Other liabilities	14	3,049,550	2,687,822
Total liabilities		417,526,222	401,361,040
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		3,596,450	3,669,287
Revaluation reserve for financial assets at FVOCI		(613,162)	(4,099,566)
Retained earnings		40,012,278	34,346,235
Total equity		71,854,614	62,775,004
Total liabilities and equity		489,380,836	464,136,044

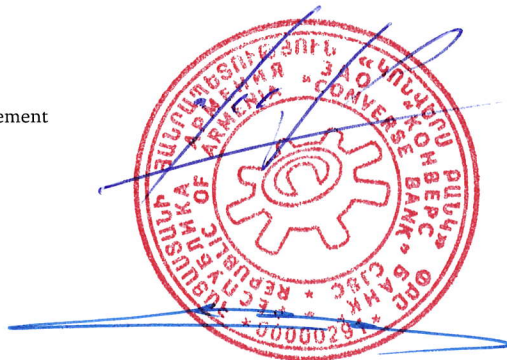
Approval date 13.10.23

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



Consolidated Statement of changes in equity
September 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						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
Balance as of January 1, 2023 /audited/	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						10,025,297	10,025,297
Other comprehensive income for the period				3,486,404		-	3,486,404
Total comprehensive income for the period	-	-	-	3,486,404	-	10,025,297	13,511,701
Depreciation of revaluation reserve	-	-	-	-	(72,837)	72,837	-
Balance as of September 30, 2023	19,947,633	63,233	8,848,182	(613,162)	3,596,450	40,012,278	71,854,614

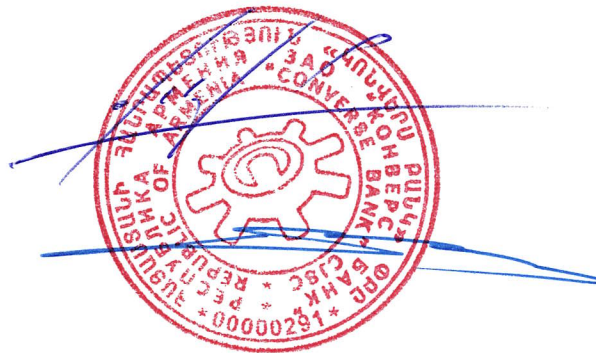
Approval date 13.10.23

Chief Executive Officer, Chairman of Executive Management

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Chief Accountant

D. Azatyan



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

In thousand Armenian drams	01/01/2023- 30/09/2023	01/01/2022- 30/09/2022
Cash flows from operating activities		
Interest received	25,782,336	23,060,602
Interest paid	(11,160,480)	(10,477,785)
Fees and commissions received	7,691,657	4,561,240
Fees and commissions paid	(4,762,697)	(1,951,600)
Net trading income received	5,245,870	10,385,128
Other income received	640,022	594,630
Personnel expenses paid	(6,812,922)	(5,027,622)
Administrative and other operating expenses paid	(3,494,329)	(2,791,041)
Cash flows from operating activities before changes in operating assets and liabilities	13,129,457	18,353,552
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	22,802	4,533
Amounts due from banks	14,594,330	(26,087,333)
Loans and advances to customers	(18,025,097)	(12,146,926)
Repossessed assets	1,478,525	547,960
Other assets	(443)	14,141
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to banks	6,846,063	(7,761,870)
Amounts due to customers	6,983,689	96,581,539
Derivative financial liabilities	216,172	97,066
Other liabilities	432,476	128,318
Net cash flows from operating activities before income tax	25,677,974	69,730,979
Income tax paid	(4,229,766)	(1,265,086)
Net cash from / (used in) operating activities	21,448,208	68,465,893
Cash flow from investing activities		
Purchase of investment securities	(65,044,816)	(52,078,274)
Proceeds from sale and redemption of investment securities	45,469,134	5,820,842
Purchase of property and equipment	(1,733,487)	-
Proceeds from sale of property and equipment	101,489	540,806
Purchase of intangible assets	(256,200)	(13,088)
Net cash from / (used in) investing activities	(21,463,880)	(45,729,714)
Net cash flow from financing activities		
Dividends paid to shareholders	(4,432,091)	(509,690)
Proceeds from debt securities issued	5,295,222	6,056,500
Redemption of debt securities issued	-	(5,715,100)
Proceeds from other borrowed funds	6,060,725	9,594,081
Repayment from other borrowed funds	(3,862,816)	(4,471,510)
Repayment of subordinated loans	(276,346)	-
Lease liabilities	433,805	(975,868)
Net cash from / (used in) financing activities	3,218,499	3,978,413
Net increase/(decrease) in cash and cash equivalents	3,202,827	26,714,593
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	(2,433,415)	(11,864,016)
Effect of expected credit losses on cash and cash equivalents	3,501	2,287
Cash and cash equivalents, ending of period	51,066,527	71,323,344

Approval date 13.10.23

Chief Executive Officer, Chairman of Executive Management

Chief Accountant



A. Grigoryan

D. Azatyan

The main economical normatives
September 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
<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	71,804,989	30,000,000	no violation
N1.1 Tier 1 core capital/ Risk weighted assets	18.46%	6.20%	no violation
N1.2 Tier 1 capital/ Risk weighted assets	18.46%	8.30%	no violation
N1 Total capital/ Risk weighted assets	19.17%	11.00%	no violation
N2.1 High liquid assets/ Total assets	47.12%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	52.88%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	125.32%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	101.61%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	208.36%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	215.51%	100.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	171.27%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I group	172.70%	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	0.94%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	6.46%	20.00%	no violation
N5.1 Maximum deviation of loan to value ratio(AMD)	1.74%	10.00%	no violation
N5.2 Maximum deviation of loan to value ratio(Foreign currency)	0.00%	5.00%	no violation
		4.00%	
for AMD	X	12%-in USD, 6% -in	
for USD		12%-in EUR, 6% -	no violation
for EUR			
Foreign currency position /Total capital	0.16%	10.00%	no violation
	for USD	X	7.00%
	for EUR	X	7.00%
	for RUB	0.03%	7.00%
	other	X	X

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