

Consolidated Statement of comprehensive Income

December 31, 2023

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

In thousand Armenian drams	Notes	01/10/23- 31/12/23	01/01/23-31/12/23	01/10/22-31/12/22	01/01/22-31/12/22
Interest revenue calculated using effective interest rate	24	10,338,583	37,350,681	8,218,001	30,177,374
Other interest revenue	24	75,065	188,379	25,967	98,043
Interest expense	24	(4,440,676)	(15,942,833)	(3,576,732)	(14,151,910)
Net interest income		5,972,972	21,596,227	4,667,236	16,123,507
Credit loss expense	25	3,981,656	1,901,062	(1,451,354)	(2,090,750)
Net interest income after credit loss expense		9,954,628	23,497,289	3,215,882	14,032,757
Fee and commission income	26	3,096,049	10,787,706	2,583,394	7,144,634
Fee and commission expense	26	(1,848,042)	(6,981,151)	(1,070,039)	(3,268,568)
Net trading income	27	2,433,630	7,836,496	3,492,436	13,626,696
Net gain(loss) from foreign currency translation		(741,915)	332,676	342,845	(1,501,871)
Gains less losses from investment securities available for sale		136,883	195,576	(3,438)	(143,340)
Other income	28	445,438	1,020,900	255,195	868,894
Non-interest income		3,522,043	13,192,203	5,600,393	16,726,445
Personnel expenses	29	(2,723,802)	(9,343,795)	(2,346,884)	(7,936,439)
Depreciation of property and equipment	11	(345,221)	(1,250,913)	(281,682)	(1,143,666)
Amortization of intangible assets	12	(22,895)	(86,019)	(17,765)	(64,571)
Other operating and administrative expenses	29	(4,252,281)	(7,494,432)	(1,057,550)	(3,651,035)
Other impairment and provisions	25	(77,914)	(77,914)	(166,502)	(166,502)
Non-interest expense		(7,422,113)	(18,253,073)	(3,870,383)	(12,962,213)
Profit before income tax expense		6,054,558	18,436,419	4,945,892	17,796,989
Profit tax expense	19	(1,456,186)	(3,812,750)	(944,426)	(3,698,696)
Profit for the period		4,598,372	14,623,669	4,001,466	14,098,293
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
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
Other comprehensive income to be reclassified subsequently to profit or loss					
Unrealised gains/(losses) on investments at fair value through other comprehensive income		(788,911)	3,496,536	(167,064)	(3,799,774)
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(136,883)	(195,576)	3,438	143,340
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		4,752	29,710	28,757	83,880
Income tax effect	19	165,788	(599,520)	24,277	643,060
Net other comprehensive income to be reclassified subsequently to profit or loss		(755,254)	2,731,150	(110,592)	(2,929,494)
Other comprehensive income for the year, net of tax		(755,254)	2,731,150	404,038	(2,414,864)
Total comprehensive income for the year		3,843,118	17,354,819	4,405,504	11,683,429

Approval date 15.01.24

Acting Chief Executive Officer

G. Akopian

Chief Accountant

D. Azatyan



Consolidated Statement of financial position

December 31, 2023

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

In thousand Armenian drams	Notes	31-12-23	31/12/2022 /audited/
ASSETS			
Cash and cash equivalents	6	38,593,409	50,293,614
Trading securities	7	970,372	823,400
Amounts due from banks	8	36,939,337	47,118,122
Derivative financial assets	16	72,646	197,014
Loans and advances to customers	9	271,831,024	223,976,683
Investment securities	10	133,475,489	125,362,769
Investment securities pledged under repurchase agreements	10	7,927,279	-
Property, plant and equipment	11	11,095,293	8,775,341
Intangible assets	12	882,208	653,241
Repossessioned assets	13	804,122	2,039,484
Other assets	14	4,165,063	4,896,376
Total assets		506,756,242	464,136,044
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	4,175,967	2,341,009
Derivative financial liabilities	16	31,110	-
Amounts due to customers	17	360,249,656	341,850,325
Bonds issued by the Bank	18	20,367,348	14,692,148
Income tax liabilities		2,675,304	3,208,769
Deferred income tax liabilities	19	494,462	138,794
Other borrowed funds	20	37,251,747	34,501,456
Lease liabilities	11	1,942,813	1,521,514
Subordinated debt	21	-	276,140
Provisions on contingent liabilities	22	323,878	143,063
Other liabilities	14	3,546,225	2,687,822
Total liabilities		431,058,510	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		3,572,171	3,669,287
Revaluation reserve for financial assets at FVOCI		(1,368,416)	(4,099,566)
Retained earnings		44,634,929	34,346,235
Total equity		75,697,732	62,775,004
Total liabilities and equity		506,756,242	464,136,044

Approval date 15.01.24

Acting Chief Executive Officer

G. Akopian

Chief Accountant

D. Azatyan



Consolidated Statement of changes in equity
December 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			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						14,098,293	14,098,293
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	14,098,293	11,683,429
Depreciation of revaluation reserve					(78,826)	78,826	-
Balance as of December 31, 2022/audited/	19,947,633	63,233	8,848,182	(4,099,566)	3,669,287	34,346,235	62,775,004
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						14,623,669	14,623,669
Other comprehensive income for the period				2,731,150		-	2,731,150
Total comprehensive income for the period	-	-	-	2,731,150	-	14,623,669	17,354,819
Depreciation of revaluation reserve					(97,116)	97,116	-
Balance as of December 31, 2023	19,947,633	63,233	8,848,182	(1,368,416)	3,572,171	44,634,929	75,697,732

Approval date 15.01.24

Acting Chief Executive Officer

Chief Accountant



G. Akopian

D. Azatyan

Consolidated Statement of cash flows

December 31, 2023

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

In thousand Armenian drams	31-12-23	31/12/2022 /audited/
Cash flows from operating activities		
Interest received		
Interest paid	35,996,803	31,972,700
Fees and commissions received	(14,433,814)	(14,778,365)
Fees and commissions paid	10,787,706	7,144,634
Net trading income received	(6,981,151)	(2,918,573)
Other income received	7,589,400	13,458,186
Personnel expenses paid	898,516	906,303
Administrative and other operating expenses paid	(9,201,774)	(7,159,567)
	(6,991,103)	(3,767,225)
Cash flows from operating activities before changes in operating assets and liabilities	17,664,583	24,858,093
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	(32,155)	199,480
Amounts due from banks	9,359,054	(33,057,965)
Loans and advances to customers	(41,829,959)	(16,360,180)
Repossessed assets	1,605,203	903,238
Other assets	1,094,323	(2,510,332)
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to banks	2,707,308	(8,332,371)
Amounts due to customers	12,787,226	123,282,184
Derivative financial liabilities	286,536	-
Other liabilities	197,089	76,398
Net cash flows from operating activities before income tax	3,839,208	89,058,545
Income tax paid	(4,618,516)	(1,425,205)
Net cash from / (used in) operating activities	(779,308)	87,633,340
Cash flow from investing activities		
Purchase of investment securities	(77,418,332)	(89,348,599)
Proceeds from sale and redemption of investment securities	66,689,523	8,109,372
Purchase of property and equipment	(3,078,734)	(682,961)
Proceeds from sale of property and equipment	414,020	97,740
Purchase of intangible assets	(314,986)	(150,537)
Net cash from / (used in) investing activities	(13,708,509)	(81,974,985)
Net cash flow from financing activities		
Dividends paid to shareholders	(4,432,091)	(509,690)
Proceeds from debt securities issued	5,295,221	8,214,949
Redemption of debt securities issued	-	(8,735,050)
Proceeds from other borrowed funds	8,116,744	11,654,735
Repayment from other borrowed funds	(5,392,342)	(6,256,980)
Repayment of subordinated loans	(276,346)	-
Lease liabilities	(647,653)	(575,601)
Net cash from / (used in) financing activities	2,663,533	3,792,363
Net increase/(decrease) in cash and cash equivalents	(11,824,284)	9,450,718
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	120,082	(15,630,749)
Effect of expected credit losses on cash and cash equivalents	3,997	3,165
Cash and cash equivalents, ending of period	38,593,409	50,293,614

Approval date 15.01.24

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The main economical normatives

December 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	73,312,602	30,000,000	no violation
N1.1 Tier 1 core capital/ Risk weighted assets	17.51%	6.20%	no violation
N1.2 Tier 1 capital/ Risk weighted assets	17.51%	8.30%	no violation
N1 Total capital/ Risk weighted assets	18.23%	11.00%	no violation
N2.1 High liquid assets/ Total assets	44.42%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	50.18%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	114.60%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	98.66%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	209.36%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	275.69%	100.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all	156.91%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I	159.82%	100.00%	no violation
N3.1 Maximum risk on a single borrower	6.26%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	9.94%	500.00%	no violation
N4.1 Maximum risk on bank related person	3.41%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	10.37%	20.00%	no violation
N5.1 Maximum deviation of loan to value ratio(AMD)	2.79%	10.00%	no violation
N5.2 Maximum deviation of loan to value ratio(Foreign currency)	4.36%	5.00%	no violation
		4.00%	
for AMD			
for USD	X	12%-in USD, 6% -in AMD	
for EUR		12%-in EUR, 6% -in AMD	
Foreign currency position /Total capital	4.39%	10.00%	no violation
for USD	4.25%	7.00%	no violation
for EUR	X	7.00%	no violation
for RUB	0.05%	7.00%	no violation
other	X	X	no violation

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