

Statement of comprehensive income

March 31, 2024

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

In thousand Armenian drams	Notes	01/01/2024- 31/03/2024	01/01/2023- 31/03/2023
Interest revenue calculated using effective interest rate	24	11,029,148	8,588,813
Other interest revenue	24	12,508	10,590
Interest expense	24	(4,789,491)	(3,609,505)
Net interest income		6,252,165	4,989,898
Credit loss expense	25	262,952	352,904
Net interest income after credit loss expense		6,515,117	5,342,802
Fee and commission income	26	2,533,397	2,380,944
Fee and commission expense	26	(1,802,754)	(1,421,139)
Net trading income	27	1,545,584	2,129,757
Net gain(loss) from foreign currency translation		(431,025)	628,377
Gains less losses from investment securities available for sale		157,384	42,861
Other income	28	217,809	331,044
Non-interest income		2,220,395	4,091,844
Personnel expenses	29	(2,359,690)	(2,152,484)
Depreciation of property and equipment	11	(327,350)	(281,961)
Amortization of intangible assets	12	(26,167)	(20,355)
Other operating and administrative expenses	29	(1,159,867)	(1,033,215)
Non-interest expense		(3,873,074)	(3,488,015)
Profit before income tax expense		4,862,438	5,946,631
Profit tax expense	19	(1,010,577)	(1,130,903)
Profit for the period		3,851,861	4,815,728
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		2,821,138	491,404
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(157,384)	(42,861)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		191	2,603
Income tax effect	19	(479,510)	(81,206)
Net other comprehensive income to be reclassified subsequently to profit or loss		2,184,435	369,940
Other comprehensive income for the year, net of tax		2,184,435	369,940
Total comprehensive income for the year		6,036,296	5,185,668

Approval date 15.04.24

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



Statement of financial position

March 31, 2024

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

In thousand Armenian drams	Notes	31/03/24	31/12/23
ASSETS			
Cash and cash equivalents	6	47,400,342	38,593,409
Trading securities	7	1,023,612	970,372
Amounts due from banks	8	53,596,584	36,939,337
Derivative financial assets	16	19,528	72,646
Loans and advances to customers	9	278,089,214	271,831,024
Investment securities	10	109,053,241	133,475,489
Investment securities pledged under repurchase agreements	10	30,413,174	7,927,279
Property, plant and equipment	11	10,920,542	11,095,293
Intangible assets	12	887,974	882,208
Repossessed assets	13	791,713	804,122
Other assets	14	3,257,342	4,165,063
Total assets		535,453,266	506,756,242
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	25,333,623	4,175,967
Derivative financial liabilities	16	31,813	31,110
Amounts due to customers	17	360,271,143	360,249,656
Bonds issued by the Bank	18	20,345,893	20,367,348
Income tax liabilities		3,102,917	2,675,304
Deferred income tax liabilities	19	1,105,927	494,462
Other borrowed funds	20	37,374,156	37,251,747
Lease liabilities	11	1,907,365	1,942,813
Provisions on contingent liabilities	22	287,679	323,878
Other liabilities	14	3,958,722	3,546,225
Total liabilities		453,719,238	431,058,510
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		3,547,892	3,572,171
Revaluation reserve for financial assets at FVOCI		816,019	(1,368,416)
Retained earnings		48,511,069	44,634,929
Total equity		81,734,028	75,697,732
Total liabilities and equity		535,453,266	506,756,242

Approval date 15.04.24

Chief Executive Officer, Chairman of Executive Management



A. Grigoryan

Chief Accountant

D. Azatyan



Statement of changes in equity

March 31, 2024

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, 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
Balance as of January 1, 2024	19,947,633	63,233	8,848,182	(1,368,416)	3,572,171	44,634,929	75,697,732
Issue of share capital							-
Distribution to general reserve							-
Dividends to shareholders							-
Total Transactions with owners	-	-	-	-	-	-	-
Profit for the period						3,851,861	3,851,861
Other comprehensive income for the period				2,184,435		-	2,184,435
Total comprehensive income for the period	-	-	-	2,184,435	-	3,851,861	6,036,296
Depreciation of revaluation reserve	-	-	-	-	(24,279)	24,279	-
Balance as of March 31, 2024	19,947,633	63,233	8,848,182	816,019	3,547,892	48,511,069	81,734,028

Approval date 15.04.24

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Statement of cash flows
March 31, 2024
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	01/01/2024- 31/03/2024	01/01/2023- 31/03/2023
Cash flows from operating activities		
Interest received	10,304,464	7,809,675
Interest paid	(3,767,895)	(3,256,386)
Fees and commissions received	2,533,397	2,380,944
Fees and commissions paid	(1,802,754)	(1,309,465)
Net trading income received	1,409,052	2,962,921
Other income received	243,186	166,412
Personnel expenses paid	(1,940,229)	(1,712,932)
Administrative and other operating expenses paid	(1,266,060)	(1,246,738)
Cash flows from operating activities before changes in operating assets and liabilities	5,713,161	5,794,431
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	(11,603)	20,851
Amounts due from banks	(17,404,002)	5,436,776
Loans and advances to customers	(8,881,825)	(4,064,501)
Repossessed assets	36,439	502,870
Other assets	825,905	1,911,388
<i>Net increase/(decrease) in operating liabilities</i>		-
Amounts due to banks	21,196,773	3,768,935
Amounts due to customers	6,234,581	4,651,535
Derivative financial liabilities	150,088	(777,383)
Other liabilities	110,416	78,819
Net cash flows from operating activities before income tax	7,969,933	17,323,721
Income tax paid	(451,201)	(199,675)
Net cash from / (used in) operating activities	7,518,732	17,124,046
Cash flow from investing activities		
Purchase of investment securities	(27,625,538)	(22,805,058)
Proceeds from sale and redemption of investment securities	31,231,147	12,947,921
Purchase of property and equipment	(143,976)	(539,255)
Proceeds from sale of property and equipment	22,044	119,819
Purchase of intangible assets	(31,933)	(131,421)
Net cash from / (used in) investing activities	3,451,744	(10,407,994)
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	1,161,837	2,263,718
Repayment from other borrowed funds	(1,080,286)	(1,118,013)
Repayment of subordinated loans	-	(276,346)
Lease liabilities	(129,130)	(37,574)
Net cash from / (used in) financing activities	(47,579)	6,127,007
Net increase/(decrease) in cash and cash equivalents	10,922,897	12,843,059
Cash and cash equivalents at the beginning of the year	38,593,409	50,293,614
Effect of exchange rates changes on cash and cash equivalents	(2,116,940)	(1,253,781)
Effect of expected credit losses on cash and cash equivalents	976	4,205
Cash and cash equivalents, ending of period	47,400,342	61,887,097

Approval date 15.04.24

Chief Executive Officer, Chairman of Executive Management

Chief Accountant



A. Grigoryan

D. Azatyan

The main economical normatives
 March 31, 2024
 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	70,256,889	30,000,000	no violation
N1.1 Tier 1 core capital/ Risk weighted assets	16.09%	6.20%	no violation
N1.2 Tier 1 capital/ Risk weighted assets	16.09%	8.30%	no violation
N1 Total capital/ Risk weighted assets	16.83%	11.00%	no violation
N2.1 High liquid assets/ Total assets	44.26%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	48.51%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	119.51%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	104.89%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	199.82%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	228.48%	100.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	153.52%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I	164.69%	100.00%	no violation
N3.1 Maximum risk on a single borrower	6.86%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	20.45%	500.00%	no violation
N4.1 Maximum risk on bank related person	3.58%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	11.13%	20.00%	no violation
N5.1 Maximum deviation of loan to value ratio(AMD)	0.37%	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			
for USD	X	12%-in USD,6% -in AMD	
for EUR		12%-in EUR, 6% -in AMD	no violation
Foreign currency position /Total capital	4.51%	10.00%	no violation
for USD	0.64%	7.00%	no violation
for EUR	X	7.00%	no violation
for RUB	0.13%	7.00%	no violation
other	X	X	no violation

Approval date 15.04.24

Chief Executive Officer, Chairman of Executive Management



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Chief Accountant

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