

Consolidated Statement of comprehensive income

31 March 2018

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

In thousand Armenian drams	Notes	01/01/18- 31/03/18	01/01/17- 31/03/17
Interest income	7	4,859,626	3,912,097
Interest expense	7	(2,248,742)	(1,971,928)
Net interest income		2,610,884	1,940,169
Fee and commission income	8	574,504	461,175
Fee and commission expense	8	(208,690)	(137,660)
Net fee and commission income		365,814	323,515
Net trading income	9	339,683	258,605
Net (losses)/gains from foreign currency translation		(46,848)	(6,426)
Gains less losses on investments available for sale		178,456	36,471
Other income	10	272,192	245,669
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		18,205	-
Impairment losses	11	(360,319)	(489,936)
Staff costs	12	(1,140,715)	(993,260)
Depreciation of property and equipment	22	(146,024)	(182,246)
Amortization of intangible assets	23	(13,618)	(9,033)
Other expenses	13	(848,325)	(621,474)
Profit before income tax		1,229,384	502,054
Income tax expense	14	(221,368)	(107,857)
Profit for the period		1,008,016	394,197
Other comprehensive income:			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Revaluation of property and equipment		-	-
Income tax effect		-	-
Net other comprehensive income not be reclassified subsequently to profit or loss		-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Unrealised gains/(losses) on investment securities available-for-sale		257,074	266,721
Realised (gains)/losses on investment securities available-for-sale reclassified to the statement of profit or loss		(178,456)	(36,471)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		(18,205)	-
Income tax effect		(15,724)	(28,047)
Net other comprehensive income to be reclassified subsequently to profit or loss		44,689	202,203
Other comprehensive income for the period, net of tax		44,689	202,203
Total comprehensive income for the period		1,052,705	596,400

Approval date 13.04.18

Chief Executive Officer, Chairman of Executive Management

Chief Accountant



A. Hakobyan

D.Azatyanyan

Consolidated Statement of financial position
31 March 2018
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	31/03/18	31/12/17
ASSETS			
Cash and cash equivalents	15	45,338,331	39,842,049
Trading securities	16	742,435	787,330
Amounts due from banks	17	11,741,318	10,546,355
Loans and advances to customers	18	155,210,767	165,167,500
Investments available for sale	19	20,062,278	22,812,218
Securities pledged under repurchase agreements	20	6,514,632	3,056,113
Held to maturity investments	21	1,348,654	346,140
Property, plant and equipment	22	6,342,859	6,115,287
Intangible assets	23	269,472	226,538
Reposessed assets	24	1,792,363	1,832,119
Prepaid income taxes			
Other assets	25	2,180,039	2,004,204
Total assets		251,543,148	252,735,853
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	26	11,188,749	15,173,467
Derivative financial liabilities	27	66,963	68,857
Amounts due to customers	28	175,000,502	173,914,157
Bonds issued by the Bank	29	5,929,828	5,931,969
Current income tax liabilities		706,924	494,171
Deferred income tax liabilities	14	1,031,274	1,302,993
Other borrowed funds	30	13,768,786	12,659,350
Other liabilities	31	1,423,869	1,336,872
Other provisions	32	68,161	
Subordinated debt	33	5,905,776	5,854,396
Total liabilities		215,090,832	216,736,232
Equity			
Share capital	34	16,416,633	16,416,633
Share premium		63,233	63,233
Statutory general reserve		1,243,064	1,243,064
Other reserves		5,650,962	5,352,858
Retained earnings		13,078,424	12,923,833
Total equity		36,452,316	35,999,621
Total liabilities and equity		251,543,148	252,735,853

Approval date 13.04.18

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D.Azatyanyan



Consolidated Statement of changes in equity

31 March 2018

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, 2017 (audited)	16,416,633	63,233	1,005,996	1,365,201	3,353,126	9,973,814	32,178,003
Issue of share capital							-
Distribution to general reserve							-
Dividends to shareholders							-
Total Transactions with owners	-	-	-	-	-	-	-
Profit for the period						394,197	394,197
Other comprehensive income for the period				202,203	-		202,203
Total comprehensive income for the period	-	-	-	202,203	-	394,197	596,400
Depreciation of revaluation reserve	-	-	-	-	(39,271)	39,271	-
Balance as of March 31, 2017	16,416,633	63,233	1,005,996	1,567,404	3,313,855	10,407,282	32,774,403
Balance as of January 1, 2018	16,416,633	63,233	1,243,064	2,171,785	3,181,073	12,923,833	35,999,621
Impact of IFRS 9				284,213		(884,223)	(600,010)
Restated balance as of January 1, 2018	16,416,633	63,233	1,243,064	2,455,998	3,181,073	12,039,610	35,399,611
Issue of share capital							-
Distribution to general reserve							-
Dividends to shareholders							-
Total Transactions with owners	-	-	-	-	-	-	-
Profit for the period						1,008,016	1,008,016
Other comprehensive income for the period				44,689			44,689
Total comprehensive income for the period	-	-	-	44,689	-	1,008,016	1,052,705
Depreciation of revaluation reserve	-	-	-	-	(30,798)	30,798	-
Balance as of March 31, 2018	16,416,633	63,233	1,243,064	2,500,687	3,150,275	13,078,424	36,452,316

Approval date 13.04.18

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D.Azattyany



Consolidated Statement of cash flows
31 March 2018
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	01/01/2018- 31/03/2018	01/01/2017- 31/03/2017
Cash flows from operating activities		
Interest received	5,715,362	3,900,408
Interest paid	(1,513,891)	(2,041,688)
Fees and commissions received	574,504	461,175
Fees and commissions paid	(208,690)	(137,660)
Net trading income received	339,683	(19,448)
Net income from FX	-	311,059
Other income received	272,192	245,669
Personnel expenses paid	(1,140,715)	(993,260)
Net income from trading securities	-	16,357
Other operating expenses paid	(848,325)	(621,474)
Cash flows from operating activities before changes in operating assets and liabilities	3,190,119	1,121,138
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	44,895	234,394
Amounts due from banks	(1,063,159)	2,394,116
Loans to customers	9,270,677	(10,789,291)
Repossessed assets	39,756	4,000
Other assets	153,081	(674,834)
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to banks	(4,098,213)	67,620
Amounts due to customers	(166,068)	12,816,230
Derivative financial liabilities	(2,515)	19,318
Other liabilities	(106,247)	(957,673)
Net cash flows from operating activities before income tax	7,262,327	4,235,019
Income tax paid	(212,753)	20,157
Net cash from / (used in) operating activities	7,049,574	4,255,176
Net cash flow from investing activities		
Purchase of AFS	(10,546,611)	(3,487,911)
Proceeds from sale of AFS securities	10,599,818	635,744
Purchase of intangible assets	(39,584)	-
Purchase of property and equipment	(326,428)	(4,658)
Proceeds from sale of property and equipment	34,101	-
Net cash from / (used in) investing activities	(278,705)	(2,856,824)
Net cash flow from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from other borrowed funds	(1,083,158)	61,985
Repayment of subordinated loans	(97,928)	(1,466,223)
Dividends paid to shareholders of the Bank	-	-
Net cash from / (used in) financing activities	(1,181,086)	(1,404,238)
Net increase/(decrease) in cash and cash equivalents	5,589,784	(5,887)
Effect of exchange rates changes on cash and cash equivalents	(93,502)	(203,098)
Cash and cash equivalents, beginning	39,842,049	45,286,422
Cash and cash equivalents, ending of period	45,338,331	45,077,437

Approval date 13.04.18

Chief Executive Officer, Chairman of Executive Management

Chief Accountant



A. Hakobyan

D. Azatyan

The main economical normatives

31 March 2018

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	16,416,633	50,000	no violation
Minimum total capital of the bank	36,020,729	30,000,000	no violation
N1 Total capital/ Risk weighted assets	16.19%	12.00%	no violation
N2.1 High liquid assets/ Total assets	33.26%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	11.98%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	114.48%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	39.56%	10.00%	no violation
N3.1 Maximum risk on a single borrower	16.54%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	30.22%	500.00%	no violation
N4.1 Maximum risk on bank related person	0.67%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	7.45%	20.00%	no violation
Minimum requirement for obligatory reserves allocated with the CBA			
for AMD	X	2.00%	
for USD		18.00%	
for EUR		18.00%	no violation
Foreign currency position /Total capital /with Derivatives/	0.43%	10.00%	no violation
Foreign currency position /Total capital	2.86%	10.00%	no violation
Foreign currency position by separate currencies			
for USD	X	7.00%	no violation
for EUR	X	7.00%	no violation
for RUR	X	7.00%	no violation
other	X	X	no violation

Approval date 13.04.18

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

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