

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

In thousand Armenian drams	Notes	30/09/18	31/12/2017 Audited
ASSETS			
Cash and cash equivalents	15	38,088,186	39,842,049
Investments at fair value through profit or loss	16	1,660,265	787,330
Amounts due from banks	17	4,874,878	10,546,355
Derivative financial assets	28	21,857	0
Loans and advances to customers	18	183,770,512	165,167,500
Investments at fair value through other comprehensive income	19	20,125,818	22,812,218
Securities pledged under repurchase agreements	20	8,412,561	3,056,113
Investments at amortized cost	21	1,987,592	346,140
Property, plant and equipment	22	6,414,489	6,115,287
Intangible assets	23	279,668	226,538
Repossessioned assets	24	2,187,928	1,832,119
Other assets	25	3,316,239	2,004,204
Total assets		271,139,993	252,735,853
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	26	16,653,844	15,173,467
Derivative financial liabilities	28	0	68,857
Amounts due to customers	29	175,272,038	173,914,157
Bonds issued by the Bank	30	16,865,566	5,931,969
Current income tax liabilities		28,322	609,855
Deferred income tax liabilities	14	874,372	1,210,763
Other borrowed funds	31	16,002,518	12,659,350
Other liabilities	32	1,632,530	1,336,873
Provisions on contingent liabilities	33	75,871	0
Subordinated debt	34	5,940,819	5,854,396
Total liabilities		233,345,880	216,759,687
Equity			
Share capital	35	16,416,633	16,416,633
Share premium		63,233	63,233
Statutory general reserve		1,898,319	1,243,064
Other reserves		5,615,147	5,352,857
Retained earnings		13,800,781	12,900,379
Total equity		37,794,113	35,976,166
Total liabilities and equity		271,139,993	252,735,853

Approval date 15.10.18

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D.Azatyanyan



Consolidated Statement of comprehensive income
30 September 2018
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	01/07/18- 30/09/18	01/01/18- 30/09/18	01/07/17- 30/09/17	01/01/17- 30/09/17
Interest income	7	5,463,081	15,401,163	4,506,592	12,724,726
Interest expense	7	(2,425,217)	(7,033,911)	(2,122,300)	(6,105,258)
Net interest income		3,037,864	8,367,252	2,384,293	6,619,468
Fee and commission income	8	703,908	1,904,185	719,327	1,749,724
Fee and commission expense	8	(241,908)	(644,400)	(224,307)	(527,941)
Net fee and commission income		462,000	1,259,785	495,020	1,221,783
Net trading income	9	400,020	1,231,851	388,072	854,860
Net (losses)/gains from foreign currency translation		(23,903)	(337,529)	(75,730)	(2,349)
Gains less losses on investments at fair value through other comprehensive income		49,767	285,472	76,676	121,261
Other income	10	54,251	458,417	250,670	724,459
Changes in allowance for expected credit losses	11	(589,241)	(1,216,785)	(396,828)	(970,631)
Staff costs	12	(1,224,643)	(3,561,208)	(977,892)	(2,928,893)
Depreciation of property and equipment	22	(148,897)	(438,706)	(183,898)	(562,417)
Amortization of intangible assets	23	(15,875)	(44,024)	(11,052)	(28,889)
Other expenses	13	(862,010)	(2,353,051)	(740,344)	(2,024,979)
Profit before income tax		1,139,333	3,651,474	1,208,988	3,023,674
Income tax expense	14	(233,243)	(733,637)	(226,039)	(542,537)
Profit for the period		906,090	2,917,837	982,949	2,481,137
Other comprehensive income:					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Revaluation of property and equipment				-	(61,078)
Income tax effect				-	12,010
Net other comprehensive income not be reclassified subsequently to profit or loss			-	-	(49,068)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Unrealised gains/(losses) on investments at fair value through other comprehensive income		167,170	355,206	161,454	756,740
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(49,767)	(285,472)	(76,676)	(121,261)
Income tax effect		(7,001)	736	(16,956)	(127,096)
Net other comprehensive income to be reclassified subsequently to profit or loss		110,402	70,470	67,822	508,383
Other comprehensive income for the period, net of tax		110,402	70,470	67,822	459,315
Total comprehensive income for the period		1,016,492	2,988,307	1,050,772	2,940,452

Approval date 15.10.18

Chief Executive Officer, Chairman of Executive Management

Hakobyan

Chief Accountant

Azatyanyan



Consolidated Statement of changes in equity
30 September 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	1,365,200	3,353,126	9,973,817	32,178,005
Issue of share capital							-
Distribution to general reserve			237,068			(237,068)	-
Dividends to shareholders						(349,975)	(349,975)
Total Transactions with owners	-	-	237,068	-	-	(587,043)	(349,975)
Profit for the period						2,481,137	2,481,137
Other comprehensive income for the period				508,383	(49,068)		459,315
Total comprehensive income for the period	-	-	-	508,383	(49,068)	2,481,137	2,940,452
Depreciation of revaluation reserve							-
Balance as of September 30, 2017	16,416,633	63,233	1,243,064	1,873,583	3,211,870	11,960,099	34,768,482
Balance as of January 1, 2018 (audited)	16,416,633	63,233	1,243,064	2,171,785	3,181,072	12,900,379	35,976,166
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	3,181,072	12,016,156	35,376,156
Issue of share capital							-
Distribution to general reserve			655,255			(655,255)	-
Dividends to shareholders						(570,350)	(570,350)
Total Transactions with owners	-	-	655,255	-	-	(1,225,605)	(570,350)
Profit for the period						2,917,837	2,917,837
Other comprehensive income for the period				70,470			70,470
Total comprehensive income for the period	-	-	-	70,470	-	2,917,837	2,988,307
Depreciation of revaluation reserve							-
Balance as of September 30, 2018	16,416,633	63,233	1,898,319	2,526,468	3,088,679	13,800,781	37,794,113

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Chief Executive Officer, Chairman of Executive Management

Chief Accountant



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

In thousand Armenian drams	01/01/2018- 30/09/2018	01/01/2017- 30/09/2017
Cash flows from operating activities		
Interest received	15,533,257	12,265,992
Interest paid	(6,056,922)	(5,740,741)
Fees and commissions received	1,904,185	1,749,724
Fees and commissions paid	(644,400)	(527,941)
Net income from securities at fair value through profit or loss	1,231,851	854,860
Other income received	458,417	724,459
Administrative expenses paid	(3,561,208)	(2,928,893)
Other operating expenses paid	(2,353,040)	(2,024,979)
Cash flows from operating activities before changes in operating assets and liabilities	6,512,141	4,372,481
<i>Net (increase)/decrease in operating assets</i>		
Securities at fair value through profit or loss	(872,935)	138,144
Amounts due from banks	6,213,297	61,117
Loans to customers	(16,252,862)	(24,846,090)
Repossessed assets	(355,809)	135,147
Other assets	(1,318,709)	271,132
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to banks	859,350	12,514,521
Amounts due to customers	(610,886)	22,463,993
Derivative financial liabilities	(69,339)	(13,304)
Other liabilities	200,940	(220,469)
Net cash flows from operating activities before income tax	(5,694,813)	14,876,672
Income tax paid	(529,533)	(148,871)
Net cash from / (used in) operating activities	(6,224,346)	14,727,801
Net cash flow from investing activities		
Purchase of Investments at fair value through other comprehensive income	(18,360,363)	(13,786,063)
Proceeds from sale of Investments at fair value through other comprehensive income	17,030,692	3,499,978
Purchase of intangible assets	(60,468)	(34,856)
Purchase of property and equipment	(719,898)	(247,242)
Proceeds from sale of property and equipment	4,829	3,850
Net cash from / (used in) investing activities	(2,105,209)	(10,564,332)
Net cash flow from financing activities		
Proceeds from issue of share capital	10,933,597	3,954,522
Proceeds from issued bonds	4,847,958	3,400,027
Proceeds from other borrowed funds	(8,103,272)	(5,089,664)
Repayment from other borrowed funds	(32,194)	(1,592,382)
Repayment of subordinated loans	(570,350)	(349,975)
Dividends paid to shareholders	7,075,738	322,527
Net cash from / (used in) financing activities	(1,253,817)	4,485,995
Net increase/(decrease) in cash and cash equivalents	(500,046)	268,691
Effect of exchange rates changes on cash and cash equivalents	39,842,049	44,751,939
Cash and cash equivalents, beginning	38,088,186	49,506,625
Cash and cash equivalents, ending of period		

Approval date 15.10.18

Chief Executive Officer, Chairman of Executive Management

Chief Accountant



The main economical normatives
30 September 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
1	2	3	4
Minimum statutory fund of the bank	16,416,633	50,000	no violation
Minimum total capital of the bank	37,718,374	30,000,000	no violation
N1 Total capital/ Risk weighted assets	14.38%	12.00%	no violation
N2.1 High liquid assets/ Total assets	27.48%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	9.63%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	94.78%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	30.33%	10.00%	no violation
N3.1 Maximum risk on a single borrower	15.89%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	34.90%	500.00%	no violation
N4.1 Maximum risk on bank related person	0.55%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	7.25%	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/	1.37%	10.00%	no violation
Foreign currency position /Total capital	3.50%	10.00%	no violation
Foreign currency position by separate currencies			
for USD	0.78%	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 15.10.18

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D. Azatyan

