

Consolidated Statement of comprehensive income

31 March 2020

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

In thousand Armenian drams	Notes	01/01/2020- 31/03/2020	01/01/2019- 31/03/2019
Interest revenue calculated using effective interest rate	24	6,468,028	5,765,928
Other interest revenue	24	20,596	21,759
Interest expense	24	(2,995,179)	(2,698,340)
Net interest income		3,493,445	3,089,347
Credit loss expense	25	(954,887)	(31,536)
Net interest income after credit loss expense		2,538,558	3,057,811
Fee and commission income	26	782,002	648,274
Fee and commission expense	26	(311,217)	(219,122)
Net trading income	27	287,982	265,328
Net gain(loss) from foreign currency translation		239,757	38,772
Gains less losses from investment securities available for sale		128,840	89,811
Other income	28	325,569	169,342
Non-interest income		1,452,933	992,405
Personnel expenses	29	(1,539,210)	(1,329,959)
Depreciation of property and equipment	11	(301,182)	(232,860)
Amortization of intangible assets	12	(18,159)	(16,719)
Other operating and administrative expenses	29	(820,915)	(700,784)
Non-interest expense		(2,679,466)	(2,280,322)
Profit before income tax expense		1,312,025	1,769,894
Profit tax expense	19	(169,200)	(370,764)
Profit for the period		1,142,825	1,399,130
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		102,356	-
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		27,413	63,206
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(128,840)	(89,811)
Income tax effect	19	36,637	239,259
Net other comprehensive income to be reclassified subsequently to profit or loss		(64,790)	212,654
Other comprehensive income for the year, net of tax		37,566	212,654
Total comprehensive income for the year		1,180,391	1,611,784

Approval date 17.04.20

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D. Azatyan



Consolidated Statement of financial position
31 March 2020
Converse Bank CSJC, V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	31/03/20	31/12/19
ASSETS			
Cash and cash equivalents	6	53,230,476	52,343,932
Investments at fair value through profit or loss	7	286,299	646,487
Amounts due from banks	8	2,945,495	11,737,257
Loans and advances to customers	9	232,593,376	226,678,839
Investments at fair value through other comprehensive income	10	24,194,911	20,326,218
Securities pledged under repurchase agreements	10	2,057,322	-
Property, plant and equipment	11	9,929,399	10,175,489
Intangible assets	12	322,272	337,260
Repossessed assets	13	1,973,787	2,023,928
Other assets	14	1,660,343	2,289,063
Total assets		329,193,680	326,558,473
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	4,193,789	6,717,884
Derivative financial liabilities	16	39,757	220,078
Amounts due to customers	17	224,098,844	222,172,144
Bonds issued by the Bank	18	20,942,595	19,920,288
Current income tax liabilities		436,473	522,946
Deferred income tax liabilities	19	1,125,184	1,261,850
Other borrowed funds	20	21,987,356	21,177,406
Lease liabilities	11	1,999,147	2,085,366
Subordinated debt	21	6,213,099	5,806,646
Provisions on contingent liabilities	22	37,989	41,851
Other liabilities	14	1,966,817	1,659,775
Total liabilities		283,041,050	281,586,234
Equity			
Share capital	23	16,416,633	16,416,633
Share premium		63,233	63,233
Statutory general reserve		2,798,799	2,798,799
Revaluation surplus for land and buildings		4,086,712	4,021,187
Revaluation reserve for financial assets at FVOCI /		725,726	790,516
Retained earnings		22,061,527	20,881,871
Total equity		46,152,630	44,972,239
Total liabilities and equity		329,193,680	326,558,473

Approval date 17.04.20

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Chief Accountant

D. Azatyan



Consolidated Statement of changes in equity
31 March 2020
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, 2019/audited/	16,416,633	63,233	1,898,319	1,651,410	3,057,881	15,946,825	39,034,301
Issue of share capital							-
Distribution to general reserve						-	-
Dividends to shareholders						-	-
Total Transactions with owners	-	-	-	-	-	-	-
Profit for the period						1,399,130	1,399,130
Other comprehensive income for the period				(926,048)		1,138,702	212,654
Total comprehensive income for the peiod	-	-	-	(926,048)	-	2,537,832	1,611,784
Depreciation of revaluation reserve	-	-	-	-	(30,798)	30,798	-
Balance as of March 31, 2019	16,416,633	63,233	1,898,319	725,362	3,027,083	18,515,455	40,646,085
Balance as of January 1, 2020	16,416,633	63,233	2,798,799	790,516	4,021,187	20,881,871	44,972,239
Issue of share capital							-
Distribution to general reserve						-	-
Dividends to shareholders						-	-
Total Transactions with owners	-	-	-	-	-	-	-
Profit for the period						1,142,825	1,142,825
Other comprehensive income for the period				(64,790)	102,356		37,566
Total comprehensive income for the peiod	-	-	-	(64,790)	102,356	1,142,825	1,180,391
Depreciation of revaluation reserve	-	-	-	-	(36,831)	36,831	-
Balance as of March 31, 2020	16,416,633	63,233	2,798,799	725,726	4,086,712	22,061,527	46,152,630

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Consolidated Statement of cash flows
31 March 2020
Converse Bank CSJC, V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	01/01/2020- 31/03/2020	01/01/2019- 31/03/2019
Cash flows from operating activities		
Interest received	5,865,234	5,326,939
Interest paid	(2,318,584)	(2,339,065)
Fees and commissions received	782,002	648,274
Fees and commissions paid	(311,217)	(219,122)
Net income from securities at fair value through profit or loss	287,982	265,328
Other income received	316,276	159,670
Administrative expenses paid	(1,512,478)	(1,302,912)
Other operating expenses paid	(835,098)	(846,456)
Cash flows from operating activities before changes in operating assets and liabilities	2,274,117	1,692,656
<i>Net (increase)/decrease in operating assets</i>		
Securities at fair value through profit or loss	360,188	(484,079)
Amounts due from banks	8,560,576	2,136,464
Loans to customers	1,081,626	(4,744,235)
Repossessed assets	50,141	(6,604)
Other assets	653,290	(308,957)
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to banks	(2,275,352)	(188,045)
Amounts due to customers	(5,015,745)	4,524,051
Derivative financial liabilities	32,237	(6,871)
Other liabilities	(381,490)	(583,844)
Net cash flows from operating activities before income tax	5,339,588	2,030,536
Income tax paid	(300,839)	(253,347)
Net cash from / (used in) operating activities	5,038,749	1,777,189
Net cash flow from investing activities		
Purchase of Investments at fair value through other comprehensive income	(8,039,143)	(2,359,460)
Proceeds from sale of Investments at fair value through other comprehensive income	2,113,136	4,119,364
Purchase of investments at amortised cost	413,959	800,561
Purchase of property and equipment	(53,577)	(329,654)
Proceeds from sale of property and equipment	-	2,332
Purchase of intangible assets	(3,172)	(59,875)
Net cash from / (used in) investing activities	(5,568,797)	2,173,267
Net cash flow from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from issued bonds	-	-
Proceeds from other borrowed funds	1,104,565	930,760
Repayment from other borrowed funds	(501,787)	(715,601)
Lease liabilities	(145,660)	(130,460)
Repayment of subordinated loans	-	-
Dividends paid to shareholders	-	-
Net cash from / (used in) financing activities	457,118	84,699
Net increase/(decrease) in cash and cash equivalents	(72,930)	4,035,155
Effect of exchange rates changes on cash and cash equivalents	959,475	131,607
Cash and cash equivalents, beginning	52,343,932	40,470,858
Cash and cash equivalents, ending of period	53,230,476	44,637,620

Approval date 17.04.20

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Chief Accountant



D. Azatyan

The main economical normatives
31 March 2020
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	40,969,599	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	11.86%	10.00%	no violation
N1.2 Total capital/ Risk weighted assets	14.23%	12.00%	no violation
N2.1 High liquid assets/ Total assets	27.12%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	16.48%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	94.37%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	51.24%	10.00%	no violation
N3.1 Maximum risk on a single borrower	10.90%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	10.90%	500.00%	no violation
N4.1 Maximum risk on bank related person	1.51%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	9.38%	20.00%	no violation
Minimum requirement for obligatory reserves allocated with the CBA			
for AMD		2.00%	
for USD	X	6% in USD, 12% in AMD	
for EUR		6% in EUR, 12% in AMD	no violation
Foreign currency position /Total capital /with Derivatives/	0.06%	10.00%	no violation
Foreign currency position /Total capital	1.67%	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 RUB	X	7.00%	no violation
other	X	X	no violation

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