

Consolidated Statement of comprehensive income

30 June 2020

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

In thousand Armenian drams	Notes	01/04/20- 30/06/20	01/01/20- 30/06/20
Interest revenue calculated using effective interest rate	24	6,267,226	12,735,254
Other interest revenue	24	19,730	40,326
Interest expense	24	(2,898,116)	(5,893,295)
Net interest income		3,388,840	6,882,285
Credit loss expense	25	(530,819)	(1,485,706)
Net interest income after credit loss expense		2,858,021	5,396,579
Fee and commission income	26	608,397	1,390,399
Fee and commission expense	26	(292,484)	(603,701)
Net trading income	27	458,398	746,380
Net gain(loss) from foreign currency translation		(475,759)	(236,002)
Gains less losses from investment securities available for sale		279,288	408,128
Other income	28	240,214	565,783
Non-interest income		818,054	2,270,987
Personnel expenses	29	(1,406,645)	(2,945,855)
Depreciation of property and equipment	11	(290,452)	(591,634)
Amortization of intangible assets	12	(16,274)	(34,433)
Other operating and administrative expenses	29	(756,818)	(1,577,733)
Non-interest expense		(2,470,189)	(5,149,655)
Profit before income tax expense		1,205,886	2,517,911
Profit tax expense	19	(427,241)	(596,441)
Profit for the period		778,645	1,921,470
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
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		409,531	436,944
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(279,288)	(408,128)
Income tax effect	19	(23,444)	(5,187)
Net other comprehensive income to be reclassified subsequently to profit or loss		106,799	23,629
Other comprehensive income for the year, net of tax		106,799	23,629
Total comprehensive income for the year		885,444	1,945,099

Approval date 15.07.20

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D. Azatyan



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

In thousand Armenian drams	Notes	30/06/20	31/12/2019 /audited/
ASSETS			
Cash and cash equivalents	6	41,965,051	43,540,737
Investments at fair value through profit or loss	7	557,680	646,487
Amounts due from banks	8	17,012,357	20,549,255
Loans and advances to customers	9	221,439,217	226,444,991
Investments at fair value through other comprehensive income	10	26,022,624	20,326,218
Property, plant and equipment	11	9,062,780	9,479,389
Intangible assets	12	310,095	337,260
Repossessed assets	13	1,990,093	2,023,928
Other assets	14	1,662,112	2,280,260
Total assets		320,022,009	325,628,525
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	2,534,023	6,913,474
Derivative financial liabilities	16	109,991	24,488
Amounts due to customers	17	219,150,572	222,172,144
Bonds issued by the Bank	18	20,000,143	19,920,288
Current income tax liabilities		431,897	644,892
Deferred income tax liabilities	19	1,014,352	947,921
Other borrowed funds	20	23,982,803	21,177,406
Lease liabilities	11	1,897,913	2,066,563
Subordinated debt	21	338,229	5,806,646
Provisions on contingent liabilities	22	52,290	53,620
Other liabilities	14	1,910,055	1,659,775
Total liabilities		271,422,268	281,387,217
Equity			
Share capital	23	19,947,633	16,416,633
Share premium		63,233	63,233
Statutory general reserve		3,627,805	2,798,799
Revaluation surplus for land and buildings		3,424,290	3,487,892
Revaluation reserve for financial assets at FVOCI /		813,047	789,418
Retained earnings		20,723,733	20,685,333
Total equity		48,599,741	44,241,308
Total liabilities and equity		320,022,009	325,628,525

Approval date 15.07.20

Chief Executive Officer, Chairman of Executive Management

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Chief Accountant

D. Azatyan



Consolidated Statement of changes in equity
30 June 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			900,480			(900,480)	-
Dividends to shareholders						(850,381)	(850,381)
Total Transactions with owners	-	-	900,480	-	-	(1,750,861)	(850,381)
Profit for the period						2,338,386	2,338,386
Other comprehensive income for the period				(1,001,732)		1,138,702	136,970
Total comprehensive income for the peiod	-	-	-	(1,001,732)	-	3,477,088	2,475,356
Depreciation of revaluation reserve	-	-	-	-	(61,596)	61,596	-
Balance as of June 30, 2019	16,416,633	63,233	2,798,799	649,678	2,996,285	17,734,648	40,659,276
Balance as of January 1, 2020	16,416,633	63,233	2,798,799	789,418	3,487,892	20,685,333	44,241,308
Issue of share capital	3,531,000					(1,117,666)	2,413,334
Distribution to general reserve			829,006			(829,006)	-
Dividends to shareholders						-	-
Total Transactions with owners	3,531,000	-	829,006	-	-	(1,946,672)	2,413,334
Profit for the period						1,921,470	1,921,470
Other comprehensive income for the period				23,629		-	23,629
Total comprehensive income for the peiod	-	-	-	23,629	-	1,921,470	1,945,099
Depreciation of revaluation reserve	-	-	-	-	(63,602)	63,602	-
Balance as of June 30, 2020	19,947,633	63,233	3,627,805	813,047	3,424,290	20,723,733	48,599,741

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Consolidated Statement of cash flows

30 June 2020

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

In thousand Armenian drams	01/01/20-30/06/20	01/01/19-30/06/19
Cash flows from operating activities		
Interest received	12,665,252	11,006,257
Interest paid	(4,148,675)	(6,034,421)
Fees and commissions received	1,390,399	1,378,532
Fees and commissions paid	(603,701)	(458,204)
Net income from securities at fair value through profit or loss	746,380	483,655
Other income received	547,135	485,458
Administrative expenses paid	(2,893,785)	(2,582,029)
Other operating expenses paid	(1,607,803)	(1,789,747)
Cash flows from operating activities before changes in operating assets and liabilities	6,095,202	2,489,501
<i>Net (increase)/decrease in operating assets</i>		
Securities at fair value through profit or loss	88,807	306,974
Amounts due from banks	3,578,386	3,303,626
Loans to customers	4,606,216	(4,054,039)
Repossessed assets	33,835	90,916
Other assets	223,734	(569,814)
<i>Net increase/(decrease) in operating liabilities</i>	-	-
Amounts due to banks	(4,205,679)	(5,621,542)
Amounts due to customers	(4,037,079)	4,720,077
Derivative financial liabilities	86,040	103,235
Other liabilities	(1,105,590)	(388,814)
Net cash flows from operating activities before income tax	5,363,872	380,120
Income tax paid	(748,192)	(785,108)
Net cash from / (used in) operating activities	4,615,680	(404,988)
Net cash flow from investing activities		
Purchase of Investments at fair value through other comprehensive income	(12,966,279)	(4,621,683)
Proceeds from sale of Investments at fair value through other comprehensive income	7,336,996	9,927,904
Purchase of investments at amortised cost	508,119	1,370,685
Purchase of property and equipment	(165,944)	(68,735)
Proceeds from sale of property and equipment	-	(468,542)
Purchase of intangible assets	(7,268)	2,332
Net cash from / (used in) investing activities	(5,294,376)	6,141,961
Net cash flow from financing activities		
Proceeds from issue of share capital	2,520,000	-
Proceeds from debt securities issued	-	5,854,851
Redemption of debt securities issued	(613,550)	(4,416,654)
Proceeds from other borrowed funds	3,414,437	2,233,060
Repayment from other borrowed funds	(768,308)	(3,121,544)
Lease liabilities	(5,321,424)	(161,641)
Repayment of subordinated loans	(172,856)	(145,030)
Dividends paid to shareholders	-	-
Net cash from / (used in) financing activities	(941,701)	243,042
Net increase/(decrease) in cash and cash equivalents	(1,620,397)	5,980,015
Effect of exchange rates changes on cash and cash equivalents	44,711	(82,418)
Cash and cash equivalents, beginning	43,540,737	40,470,858
Cash and cash equivalents, ending of period	41,965,051	46,368,455

Approval date 15.07.20

Chief Executive Officer, Chairman of Executive Management

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Chief Accountant

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The main economical normatives

30 June 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	19,947,633	50,000	no violation
Minimum total capital of the bank	41,803,085	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	13.41%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	15.03%	12.00%	no violation
N2.1 High liquid assets/ Total assets	27.92%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	15.53%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	98.68%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	47.26%	10.00%	no violation
N3.1 Maximum risk on a single borrower	10.34%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	10.34%	500.00%	no violation
N4.1 Maximum risk on bank related person	0.61%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	7.57%	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/	0.02%	10.00%	no violation
Foreign currency position /Total capital	1.94%	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	0.96%	7.00%	no violation
other	X	X	no violation

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