

Consolidated Statement of comprehensive income

30 September 2020

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

In thousand Armenian drams	Notes	01/07/20- 30/09/20	01/01/20- 30/09/20
Interest revenue calculated using effective interest rate	24	6,295,646	19,030,900
Other interest revenue	24	65,062	105,388
Interest expense	24	(2,884,892)	(8,778,187)
Net interest income		3,475,816	10,358,101
Credit loss expense	25	(512,733)	(1,998,439)
Net interest income after credit loss expense		2,963,083	8,359,662
Fee and commission income	26	810,622	2,201,021
Fee and commission expense	26	(331,357)	(935,058)
Net trading income	27	220,459	966,839
Net gain(loss) from foreign currency translation		162,442	(73,560)
Gains less losses from investment securities available for sale		178,549	586,677
Other income	28	286,497	852,280
Non-interest income		1,327,212	3,598,199
Personnel expenses	29	(1,383,409)	(4,329,264)
Depreciation of property and equipment	11	(291,960)	(883,594)
Amortization of intangible assets	12	(12,350)	(46,783)
Other operating and administrative expenses	29	(739,764)	(2,317,501)
Non-interest expense		(2,427,483)	(7,577,142)
Profit before income tax expense		1,862,812	4,380,719
Profit tax expense	19	(376,932)	(973,373)
Profit for the period		1,485,880	3,407,346
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		117,104	554,048
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(178,549)	(586,677)
Income tax effect	19	11,060	5,873
Net other comprehensive income to be reclassified subsequently to profit or loss		(50,385)	(26,756)
Other comprehensive income for the year, net of tax		(50,385)	(26,756)
Total comprehensive income for the year		1,435,495	3,380,590

Approval date 15.10.20

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D. Azatyan



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

In thousand Armenian drams	Notes	30/09/20	31/12/2019 /audited/
ASSETS			
Cash and cash equivalents	6	31,855,786	43,540,737
Investments at fair value through profit or loss	7	3,164,976	646,487
Amounts due from banks	8	18,224,912	20,549,255
Loans and advances to customers	9	225,919,632	226,444,991
Derivatives	16	5,492	-
Investments at fair value through other comprehensive income	10	32,500,305	20,326,218
Property, plant and equipment	11	8,792,488	9,479,389
Intangible assets	12	336,404	337,260
Repossessed assets	13	2,057,061	2,023,928
Other assets	14	1,708,113	2,280,260
Total assets		324,565,169	325,628,525
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	2,621,803	6,913,474
Derivative financial liabilities	16	-	24,488
Amounts due to customers	17	221,463,249	222,172,144
Bonds issued by the Bank	18	20,624,664	19,920,288
Current income tax liabilities		419,321	644,892
Deferred income tax liabilities	19	1,153,490	947,921
Other borrowed funds	20	24,038,424	21,177,406
Lease liabilities	11	1,852,408	2,066,563
Subordinated debt	21	348,460	5,806,646
Provisions on contingent liabilities	22	65,633	53,620
Other liabilities	14	1,942,485	1,659,775
Total liabilities		274,529,937	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		3,392,488	3,487,892
Revaluation reserve for financial assets at FVOCI		762,662	789,418
Retained earnings		22,241,411	20,685,333
Total equity		50,035,232	44,241,308
Total liabilities and equity		324,565,169	325,628,525

Approval date 15.10.20

Chief Executive Officer, Chairman of Executive Management

Chief Accountant



A. Hakobyan

D. Azatyan

Consolidated Statement of changes in equity
30 September 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						3,868,088	3,868,088
Other comprehensive income for the period				(1,120,890)		1,138,702	17,812
Total comprehensive income for the peiod	-	-	-	(1,120,890)	-	5,006,790	3,885,900
Depreciation of revaluation reserve	-	-	-	-	(92,395)	92,395	-
Balance as of September 30, 2019	16,416,633	63,233	2,798,799	530,520	2,965,486	19,295,149	42,069,820
Balance as of January 1, 2020/audited/	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						3,407,346	3,407,346
Other comprehensive income for the period				(26,756)		-	(26,756)
Total comprehensive income for the peiod	-	-	-	(26,756)	-	3,407,346	3,380,590
Depreciation of revaluation reserve	-	-	-	-	(95,404)	95,404	-
Balance as of September 30, 2020	19,947,633	63,233	3,627,805	762,662	3,392,488	22,241,411	50,035,232

Approval date 15.10.20

Chief Executive Officer, Chairman of Executive Management

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Chief Accountant

D. Azatyan



Consolidated Statement of cash flows

30 September 2020

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

In thousand Armenian drams	01/01/2020-30/09/2020	01/01/2019-30/09/2019
Cash flows from operating activities		
Interest received	18,272,737	18,079,916
Interest paid	(6,910,034)	(8,314,521)
Fees and commissions received	2,201,021	2,281,045
Fees and commissions paid	(935,058)	(716,978)
Net income from securities at fair value through profit or loss	966,839	788,165
Other income received	825,708	739,216
Administrative expenses paid	(4,250,566)	(3,877,307)
Other operating expenses paid	(2,363,063)	(2,384,430)
Cash flows from operating activities before changes in operating assets and liabilities	7,807,584	6,595,106
<i>Net (increase)/decrease in operating assets</i>		
Securities at fair value through profit or loss	(2,518,489)	(120,877)
Amounts due from banks	2,379,914	506,682
Loans to customers	2,922,420	(13,934,367)
Repossessed assets	(33,133)	53,106
Other assets	546,771	(576,919)
<i>Net increase/(decrease) in operating liabilities</i>	-	-
Amounts due to banks	(4,687,126)	(9,945,364)
Amounts due to customers	(4,729,092)	18,886,546
Derivative financial liabilities	(28,140)	159,616
Other liabilities	258,329	(2,134,962)
Net cash flows from operating activities before income tax	1,919,038	(511,433)
Income tax paid	(987,503)	(1,038,455)
Net cash from / (used in) operating activities	931,535	(1,549,888)
Net cash flow from investing activities		
Purchase of Investments at fair value through other comprehensive income	(23,062,755)	(5,947,203)
Proceeds from sale of Investments at fair value through other comprehensive income	10,994,118	17,133,497
Purchase of investments at amortised cost	250,142	(328,544)
Purchase of property and equipment	(165,944)	(84,985)
Proceeds from sale of property and equipment	-	(616,513)
Purchase of intangible assets	14,307	2,332
Net cash from / (used in) investing activities	(11,970,132)	10,158,584
Net cash flow from financing activities		
Proceeds from issue of share capital	2,520,000	-
Proceeds from debt securities issued	-	9,489,603
Redemption of debt securities issued	(613,550)	(7,572,502)
Proceeds from other borrowed funds	4,233,871	5,575,967
Repayment from other borrowed funds	(1,595,542)	(1,849,951)
Lease liabilities	(5,312,939)	(189,209)
Repayment of subordinated loans	(214,155)	(194,520)
Dividends paid to shareholders	-	-
Net cash from / (used in) financing activities	(982,315)	5,259,388
Net increase/(decrease) in cash and cash equivalents	(12,020,912)	13,868,084
Effect of exchange rates changes on cash and cash equivalents	335,961	(420,128)
Cash and cash equivalents, beginning	43,540,737	40,470,858
Cash and cash equivalents, ending of period	31,855,786	53,918,814

Approval date 15.10.20

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D. Azatyan



The main economical normatives

30 September 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	42,966,183	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	13.32%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	14.84%	12.00%	no violation
N2.1 High liquid assets/ Total assets	29.64%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	14.82%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	100.60%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	44.22%	10.00%	no violation
N3.1 Maximum risk on a single borrower	10.78%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	17.97%	500.00%	no violation
N4.1 Maximum risk on bank related person	0.64%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	7.67%	20.00%	no violation
Minimum requirement for obligatory reserves allocated with the CBA			
for AMD		2.00%	
for USD	X	8% in USD, 10% in AMD	
for EUR		8% in EUR, 10% in AMD	no violation
Foreign currency position /Total capital /with Derivatives/	0.21%	10.00%	no violation
Foreign currency position /Total capital	0.43%	10.00%	no violation
Foreign currency position by separate currencies			
for USD	X	7.00%	no violation
for EUR	0.19%	7.00%	no violation
for RUB	X	7.00%	no violation
other	X	X	no violation

Approval date 15.10.20

Chief Executive Officer, Chairman of Executive Management

Chief Accountant



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