

Consolidated Statement of comprehensive income

31 December 2020

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

In thousand Armenian drams	Notes	01/10/20- 31/12/20	01/01/20- 31/12/20
Interest revenue calculated using effective interest rate	24	6,411,355	25,442,255
Other interest revenue	24	56,317	161,705
Interest expense	24	(2,795,645)	(11,573,832)
Net interest income		3,672,027	14,030,128
Credit loss expense	25	(4,365,421)	(6,391,230)
Net interest income after credit loss expense		(693,394)	7,638,898
Fee and commission income	26	901,262	3,102,283
Fee and commission expense	26	(397,616)	(1,332,674)
Net trading income	27	145,531	1,112,370
Net gain(loss) from foreign currency translation		309,653	236,093
Gains less losses from investment securities available for sale		116,507	730,554
Other income	28	333,079	1,185,359
Non-interest income		1,408,416	5,033,985
Personnel expenses	29	(709,112)	(5,038,376)
Depreciation of property and equipment	11	(301,954)	(1,185,548)
Amortization of intangible assets	12	(11,595)	(58,378)
Other operating and administrative expenses	29	(1,041,459)	(3,358,962)
Non-interest expense		(2,064,120)	(9,641,264)
Profit before income tax expense		(1,349,098)	3,031,619
Profit tax expense	19	495,038	(478,333)
Profit for the period		(854,060)	2,553,286
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		(1,212,995)	(658,947)
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(116,507)	(730,554)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		(1,038)	26,332
Income tax effect	19	239,497	245,370
Net other comprehensive income to be reclassified subsequently to profit or loss		(1,091,043)	(1,117,799)
Other comprehensive income for the year, net of tax		(1,091,043)	(1,117,799)
Total comprehensive income for the year		(1,945,103)	1,435,487

Approval date 15.01.21

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant



D. Azatyan

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

In thousand Armenian drams	Notes	31/12/20	31/12/2019 /audited/
ASSETS			
Cash and cash equivalents	6	33,342,983	43,540,737
Trading securities	7	879,049	646,487
Amounts due from banks	8	16,739,040	20,549,255
Loans and advances to customers	9	229,317,136	226,444,991
Investment securities	10	35,548,386	20,326,218
Investment securities pledged under repurchase agreements	10	3,182,001	-
Property, plant and equipment	11	8,605,113	9,479,389
Intangible assets	12	330,808	337,260
Repossessed assets	13	1,693,043	2,023,928
Prepayments on profit tax		206,037	-
Other assets	14	2,093,595	2,280,260
Total assets		331,937,191	325,628,525
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	6,442,513	6,913,474
Derivative financial liabilities	16	41,664	24,488
Amounts due to customers	17	227,973,075	222,172,144
Bonds issued by the Bank	18	21,527,117	19,920,288
Current income tax liabilities		-	644,892
Deferred income tax liabilities	19	851,666	947,921
Other borrowed funds	20	23,518,467	21,177,406
Lease liabilities	11	1,761,890	2,066,563
Subordinated debt	21	366,607	5,806,646
Provisions on contingent liabilities	22	230,632	53,620
Other liabilities	14	1,133,431	1,659,775
Total liabilities		283,847,062	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		3,360,688	3,487,892
Revaluation reserve for financial assets at FVOCI		(328,381)	789,418
Retained earnings		21,419,151	20,685,333
Total equity		48,090,129	44,241,308
Total liabilities and equity		331,937,191	325,628,525

Approval date 15.01.21

Chief Executive Officer, Chairman of Executive Management

Chief Accountant



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D. Azatyan

Consolidated Statement of changes in equity

31 December 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						5,452,137	5,452,137
Other comprehensive income for the period				48,970	556,281		605,251
Total comprehensive income for the period	-	-	-	48,970	556,281	5,452,137	6,057,388
Transfer of accumulated revaluation reserve at disposal of equity instruments at FVOCI				(910,962)	-	910,962	-
Depreciation of revaluation reserve	-	-	-	-	(126,270)	126,270	-
Balance as of December 31, 2019/audited/	16,416,633	63,233	2,798,799	789,418	3,487,892	20,685,333	44,241,308
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						2,553,286	2,553,286
Other comprehensive income for the period				(1,117,799)		-	(1,117,799)
Total comprehensive income for the period	-	-	-	(1,117,799)	-	2,553,286	1,435,487
Depreciation of revaluation reserve	-	-	-	-	(127,204)	127,204	-
Balance as of December 31, 2020	19,947,633	63,233	3,627,805	(328,381)	3,360,688	21,419,151	48,090,129

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Chief Executive Officer, Chairman of Executive Management

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

In thousand Armenian drams	01/01/2020- 31/12/2020	01/01/2019- 31/12/2019
Cash flows from operating activities		
Interest received	23,777,579	23,760,455
Interest paid	(11,720,687)	(10,856,291)
Fees and commissions received	3,102,283	3,194,074
Fees and commissions paid	(1,332,674)	(1,020,933)
Net trading income received	1,770,395	1,288,369
Other income received	922,485	823,570
Personnel expenses paid	(5,338,672)	(5,442,652)
Administrative and other operating expenses paid	(3,562,290)	(3,294,349)
Cash flows from operating activities before changes in operating assets and liabilities	7,618,419	8,452,243
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	(229,872)	579,843
Amounts due from banks	4,805,004	(6,349,407)
Loans and advances to customers	5,932,175	(33,296,592)
Repossessed assets	656,892	837,103
Other assets	419,955	517,517
<i>Net increase/(decrease) in operating liabilities</i>	-	-
Amounts due to banks	(1,892,683)	(7,095,225)
Amounts due to customers	(7,576,045)	35,646,857
Derivative financial liabilities	(663,274)	(68,932)
Other liabilities	(12,695)	112,256
Net cash flows from operating activities before income tax	9,057,876	(664,337)
Income tax paid	(1,174,417)	(1,189,610)
Net cash from / (used in) operating activities	7,883,459	(1,853,947)
Net cash flow from investing activities		
Purchase of investment securities	(30,042,242)	(9,391,046)
Proceeds from sale and redemption of investment securities	11,439,980	16,326,197
Purchase of property and equipment	(844,263)	(844,263)
Proceeds from sale of property and equipment	756,008	50,337
Purchase of intangible assets	(51,926)	(115,132)
Net cash from / (used in) investing activities	(18,742,443)	6,026,093
Net cash flow from financing activities		
Proceeds from issue of share capital	2,413,334	-
Proceeds from debt securities issued	-	14,211,537
Redemption of debt securities issued	-	(10,818,447)
Proceeds from other borrowed funds	4,985,907	8,141,849
Repayment from other borrowed funds	(2,872,653)	(2,701,526)
Repayment of subordinated loans	(5,599,452)	-
Lease liabilities	(527,273)	(317,280)
Dividends paid to shareholders	-	(850,381)
Net cash from / (used in) financing activities	(1,600,137)	7,665,752
Net increase/(decrease) in cash and cash equivalents	(12,459,121)	11,837,898
Cash and cash equivalents at the beginning of the year	43,540,737	40,470,858
Effect of foreign currency obligatory reserve reclassification	-	(8,811,998)
Effect of exchange rates changes on cash and cash equivalents	2,261,367	40,637
Effect of expected credit losses on cash and cash equivalents	-	3,342
Cash and cash equivalents, ending of period	33,342,983	43,540,737

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The main economical normatives

31 December 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	42,797,989	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	13.07%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	14.27%	12.00%	no violation
N2.1 High liquid assets/ Total assets	30.35%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	16.43%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	94.73%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	47.62%	10.00%	no violation
N3.1 Maximum risk on a single borrower	11.84%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	25.07%	500.00%	no violation
N4.1 Maximum risk on bank related person	1.24%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	9.51%	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/	0.56%	10.00%	no violation
Foreign currency position /Total capital	2.31%	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	0.52%	7.00%	no violation
other	X	X	no violation

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