

Consolidated Statement of comprehensive income

31 March 2021

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

In thousand Armenian drams	Notes	01/01/2021- 31/03/2021	01/01/2020- 31/03/2020
Interest revenue calculated using effective interest rate	24	6,464,834	6,468,028
Other interest revenue	24	26,658	20,596
Interest expense	24	(2,832,636)	(2,995,179)
Net interest income		3,658,856	3,493,445
Credit loss expense	25	(671,151)	(970,123)
Net interest income after credit loss expense		2,987,705	2,523,322
Fee and commission income	26	832,407	782,002
Fee and commission expense	26	(389,091)	(311,217)
Net trading income	27	307,892	287,982
Net gain(loss) from foreign currency translation		95,730	239,757
Gains less losses from investment securities available for sale		55,782	144,076
Other income	28	166,276	325,569
Non-interest income		1,068,996	1,468,169
Personnel expenses	29	(1,520,078)	(1,539,210)
Depreciation of property and equipment	11	(290,170)	(301,182)
Amortization of intangible assets	12	(13,273)	(18,159)
Other operating and administrative expenses	29	(928,469)	(820,915)
Non-interest expense		(2,751,990)	(2,679,466)
Profit before income tax expense		1,304,711	1,312,025
Profit tax expense	19	(278,864)	(169,200)
Profit for the period		1,025,847	1,142,825
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		143,155	27,413
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(55,782)	(144,076)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		7,430	15,236
Income tax effect	19	(17,065)	36,637
Net other comprehensive income to be reclassified subsequently to profit or loss		77,738	(64,790)
Other comprehensive income for the year, net of tax		77,738	37,566
Total comprehensive income for the year		1,103,585	1,180,391

Approval date 15.04.21

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D. Azatyan



Consolidated Statement of financial position
31 March 2021
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	31/03/21	31/12/20
ASSETS			
Cash and cash equivalents	6	51,677,855	33,342,983
Trading securities	7	896,324	879,049
Amounts due from banks	8	17,607,819	16,739,040
Derivative financial assets	16	886	-
Loans and advances to customers	9	230,243,815	229,317,136
Investment securities	10	31,418,585	35,548,386
Investment securities pledged under repurchase agreements	10	10,333,344	3,182,001
Property, plant and equipment	11	8,630,129	8,605,113
Intangible assets	12	364,356	330,808
Repossessed assets	13	1,724,767	1,693,043
Prepayments on profit tax		332,115	206,037
Other assets	14	3,172,535	2,093,595
Total assets		356,402,530	331,937,191
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	18,189,271	6,442,513
Derivative financial liabilities	16	-	41,664
Amounts due to customers	17	239,194,404	227,973,075
Bonds issued by the Bank	18	21,976,143	21,527,117
Deferred income tax liabilities	19	1,086,566	851,666
Other borrowed funds	20	22,860,245	23,518,467
Lease liabilities	11	1,674,111	1,761,890
Subordinated debt	21	378,999	366,607
Provisions on contingent liabilities	22	164,476	230,632
Other liabilities	14	1,684,601	1,133,431
Total liabilities		307,208,816	283,847,062
Equity			
Share capital	23	19,947,633	19,947,633
Share premium		63,233	63,233
Statutory general reserve		3,627,805	3,627,805
Revaluation surplus for land and buildings		3,328,886	3,360,688
Revaluation reserve for financial assets at FVOCI		(250,643)	(328,381)
Retained earnings		22,476,800	21,419,151
Total equity		49,193,714	48,090,129
Total liabilities and equity		356,402,530	331,937,191

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Chief Accountant

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Consolidated Statement of changes in equity

31 March 2021

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, 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							-
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 period	-	-	-	(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	724,628	3,553,417	21,864,989	45,421,699
Balance as of January 1, 2021	19,947,633	63,233	3,627,805	(328,381)	3,360,688	21,419,151	48,090,129
Issue of share capital							-
Distribution to general reserve							-
Dividends to shareholders						-	-
Total Transactions with owners	-	-	-	-	-	-	-
Profit for the period						1,025,847	1,025,847
Other comprehensive income for the period				77,738		-	77,738
Total comprehensive income for the period	-	-	-	77,738	-	1,025,847	1,103,585
Depreciation of revaluation reserve				-	(31,802)	31,802	-
Balance as of March 31, 2021	19,947,633	63,233	3,627,805	(250,643)	3,328,886	22,476,800	49,193,714

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Consolidated Statement of cash flows
31 March 2021
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	01/01/2021- 31/03/2021	01/01/2020- 31/03/2020
Cash flows from operating activities		
Interest received	5,412,795	5,865,234
Interest paid	(2,332,865)	(2,318,584)
Fees and commissions received	832,407	782,002
Fees and commissions paid	(389,091)	(311,217)
Net trading income received	352,308	287,982
Other income received	261,924	316,276
Personnel expenses paid	(1,342,258)	(1,512,478)
Administrative and other operating expenses paid	(1,152,105)	(835,098)
Cash flows from operating activities before changes in operating assets and liabilities	1,643,115	2,274,117
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	(9,956)	360,188
Amounts due from banks	(786,275)	8,560,576
Loans and advances to customers	588,914	1,081,626
Repossessed assets	127,596	50,141
Other assets	(1,186,590)	653,290
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to banks	11,886,194	(2,275,352)
Amounts due to customers	9,646,088	(5,015,745)
Derivative financial liabilities	(97,830)	32,237
Other liabilities	612,334	(381,490)
Net cash flows from operating activities before income tax	22,423,590	5,339,588
Income tax paid	(178,874)	(300,839)
Net cash from / (used in) operating activities	22,244,716	5,038,749
Net cash flow from investing activities		
Purchase of investment securities	(4,569,716)	(7,625,184)
Proceeds from sale and redemption of investment securities	1,746,643	2,113,136
Purchase of property and equipment	(844,263)	(53,577)
Proceeds from sale of property and equipment	568,696	-
Purchase of intangible assets	(46,821)	(3,172)
Net cash from / (used in) investing activities	(3,145,461)	(5,568,797)
Net cash flow from financing activities		
Proceeds from other borrowed funds	765,782	1,104,565
Repayment from other borrowed funds	(1,524,957)	(501,787)
Lease liabilities	(174,099)	(145,660)
Net cash from / (used in) financing activities	(933,274)	457,118
Net increase/(decrease) in cash and cash equivalents	18,165,981	(72,930)
Cash and cash equivalents at the beginning of the year	33,342,983	52,343,932
Effect of exchange rates changes on cash and cash equivalents	168,891	959,475
Cash and cash equivalents, ending of period	51,677,855	53,230,477

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The main economical normatives

31 March 2021

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	41,387,539	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	12.94%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	14.06%	12.00%	no violation
N2.1 High liquid assets/ Total assets	32.88%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	21.40%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	97.56%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	56.61%	10.00%	no violation
Ն23 High liquid assets/ Net cash outflow for all CCY	129.48%	100.00%	no violation
Ն23(FX) High liquid assets/ Net cash outflow for I group CCY	78.95%	60.00%	no violation
Ն24 Total Available Stable Funding/Total Required Stable Funding for all CCY	122.72%	100.00%	no violation
Ն24(FX) Total Available Stable Funding/Total Required Stable Funding for I group CCY	102.88%	60.00%	no violation
N3.1 Maximum risk on a single borrower	12.05%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	17.54%	500.00%	no violation
N4.1 Maximum risk on bank related person	1.30%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	10.44%	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/	0.98%	10.00%	no violation
Foreign currency position /Total capital	0.81%	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	0.59%	7.00%	no violation
other	X	X	no violation

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