

**Consolidated Statement of comprehensive income**

30 June 2021

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

In thousand Armenian drams	Notes	01/04/21- 30/06/21	01/01/21- 30/06/21
Interest revenue calculated using effective interest rate	24	6,561,236	13,026,070
Other interest revenue	24	23,884	50,542
Interest expense	24	(2,942,294)	(5,774,930)
<b>Net interest income</b>		<b>3,642,826</b>	<b>7,301,682</b>
Credit loss expense	25	(1,297,764)	(1,968,915)
<b>Net interest income after credit loss expense</b>		<b>2,345,062</b>	<b>5,332,767</b>
Fee and commission income	26	947,864	1,780,271
Fee and commission expense	26	(461,128)	(850,219)
Net trading income	27	606,389	914,281
Net gain(loss) from foreign currency translation		(769,462)	(673,732)
Gains less losses from investment securities available for sale		24,999	80,781
Other income	28	318,638	484,914
<b>Non-interest income</b>		<b>667,300</b>	<b>1,736,296</b>
Personnel expenses	29	(1,378,860)	(2,898,938)
Depreciation of property and equipment	11	(311,215)	(601,385)
Amortization of intangible assets	12	(13,411)	(26,684)
Other operating and administrative expenses	29	(1,089,155)	(2,017,624)
<b>Non-interest expense</b>		<b>(2,792,641)</b>	<b>(5,544,631)</b>
<b>Profit before income tax expense</b>		<b>219,721</b>	<b>1,524,432</b>
Profit tax expense	19	(156,981)	(435,845)
<b>Profit for the period</b>		<b>62,740</b>	<b>1,088,587</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods</b>			
Unrealised gains/(losses) on investments at fair value through other comprehensive income		(266,326)	(123,171)
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(24,999)	(80,781)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		18,572	26,002
Income tax effect	19	49,096	32,031
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>(223,657)</b>	<b>(145,919)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(223,657)</b>	<b>(145,919)</b>
<b>Total comprehensive income for the year</b>		<b>(160,917)</b>	<b>942,668</b>

Approval date 15.07.21

Acting Chief Executive Officer

H. Hakobyan

Chief Accountant

D. Azatyan



**Consolidated Statement of financial position**  
30 June 2021  
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

<b>In thousand Armenian drams</b>	<b>Notes</b>	<b>30/06/21</b>	<b>31/12/2020 /Audited/</b>
<b>ASSETS</b>			
Cash and cash equivalents	6	58,644,496	33,344,488
Trading securities	7	875,069	879,049
Amounts due from banks	8	16,664,456	16,944,326
Derivative financial assets	16	10,722	3,651
Loans and advances to customers	9	222,914,474	229,595,621
Investment securities	10	24,874,943	35,548,382
Investment securities pledged under repurchase agreements	10	22,232,227	3,182,001
Property, plant and equipment	11	8,494,744	8,605,113
Intangible assets	12	360,369	330,808
Repossessed assets	13	2,546,272	1,693,043
Prepayments on profit tax	19	99,302	216,837
Other assets	14	2,198,803	2,093,595
<b>Total assets</b>		<b>359,915,877</b>	<b>332,436,914</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Amounts due to banks	15	25,868,840	6,649,304
Derivative financial liabilities	16	10,301	45,315
Amounts due to customers	17	238,362,291	227,973,075
Bonds issued by the Bank	18	16,385,875	21,527,117
Deferred income tax liabilities	19	1,204,147	915,029
Other borrowed funds	20	24,844,894	23,518,467
Lease liabilities	11	1,633,501	1,761,890
Subordinated debt	21	347,788	366,607
Provisions on contingent liabilities	22	156,956	230,632
Other liabilities	14	1,842,569	1,133,431
<b>Total liabilities</b>		<b>310,657,162</b>	<b>284,120,867</b>
<b>Equity</b>			
Share capital	23	19,947,633	19,947,633
Share premium		63,233	63,233
Statutory general reserve		3,848,182	3,627,805
Revaluation surplus for land and buildings		3,297,085	3,360,688
Revaluation reserve for financial assets at FVOCI		(474,300)	(328,381)
Retained earnings		22,576,882	21,645,069
<b>Total equity</b>		<b>49,258,715</b>	<b>48,316,047</b>
<b>Total liabilities and equity</b>		<b>359,915,877</b>	<b>332,436,914</b>

Approval date 15.07.21

Acting Chief Executive Officer

Chief Accountant



H. Hakobyan

D. Azatyan

**Consolidated Statement of changes in equity**  
30 June 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
<b>Balance as of January 1, 2020/audited/</b>	<b>16,416,633</b>	<b>63,233</b>	<b>2,798,799</b>	<b>789,418</b>	<b>3,487,892</b>	<b>20,685,333</b>	<b>44,241,308</b>
Issue of share capital	3,531,000					(1,117,666)	<b>2,413,334</b>
Distribution to general reserve			829,006			(829,006)	-
Dividends to shareholders						-	-
<b>Total Transactions with owners</b>	<b>3,531,000</b>	<b>-</b>	<b>829,006</b>	<b>-</b>	<b>-</b>	<b>(1,946,672)</b>	<b>2,413,334</b>
Profit for the period						1,921,470	<b>1,921,470</b>
Other comprehensive income for the period				23,629		-	<b>23,629</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,629</b>	<b>-</b>	<b>1,921,470</b>	<b>1,945,099</b>
Depreciation of revaluation reserve	-	-	-	-	(63,602)	63,602	-
<b>Balance as of June 30, 2020</b>	<b>19,947,633</b>	<b>63,233</b>	<b>3,627,805</b>	<b>813,047</b>	<b>3,424,290</b>	<b>20,723,733</b>	<b>48,599,741</b>
<b>Balance as of January 1, 2021/audited/</b>	<b>19,947,633</b>	<b>63,233</b>	<b>3,627,805</b>	<b>(328,381)</b>	<b>3,360,688</b>	<b>21,645,069</b>	<b>48,316,047</b>
Issue of share capital							-
Distribution to general reserve			220,377			(220,377)	-
Dividends to shareholders						-	-
<b>Total Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>220,377</b>	<b>-</b>	<b>-</b>	<b>(220,377)</b>	<b>-</b>
Profit for the period						1,088,587	<b>1,088,587</b>
Other comprehensive income for the period				(145,919)		-	<b>(145,919)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(145,919)</b>	<b>-</b>	<b>1,088,587</b>	<b>942,668</b>
Depreciation of revaluation reserve	-	-	-	-	(63,603)	63,603	-
<b>Balance as of June 30, 2021</b>	<b>19,947,633</b>	<b>63,233</b>	<b>3,848,182</b>	<b>(474,300)</b>	<b>3,297,085</b>	<b>22,576,882</b>	<b>49,258,715</b>

Approval date 15.07.21

Acting Chief Executive Officer

Chief Accountant



H. Hakobyan

D. Azatyan

**Consolidated Statement of cash flows**

30 June 2021

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

<b>In thousand Armenian drams</b>	<b>01/01/2021- 30/06/2021</b>	<b>01/01/2020- 30/06/2020</b>
<b>Cash flows from operating activities</b>		
Interest received	11,862,046	12,665,252
Interest paid	(4,085,807)	(4,148,675)
Fees and commissions received	1,780,271	1,390,399
Fees and commissions paid	(850,219)	(603,701)
Net trading income received	831,773	746,380
Other income received	614,744	547,135
Personnel expenses paid	(2,348,174)	(2,893,785)
Administrative and other operating expenses paid	(2,039,505)	(1,607,803)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>5,765,129</b>	<b>6,095,202</b>
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	1,375	88,807
Amounts due from banks	(177,389)	3,578,386
Loans and advances to customers	(3,069,625)	4,606,216
Repossessed assets	191,448	33,835
Other assets	(280,918)	223,734
<i>Net increase/(decrease) in operating liabilities</i>	-	-
Amounts due to banks	19,969,987	(4,205,679)
Amounts due to customers	18,448,996	(4,037,079)
Derivative financial liabilities	67,916	86,040
Other liabilities	182,259	(1,105,590)
<b>Net cash flows from operating activities before income tax</b>	<b>41,099,178</b>	<b>5,363,872</b>
Income tax paid	2,839	(748,192)
<b>Net cash from / (used in) operating activities</b>	<b>41,102,017</b>	<b>4,615,680</b>
<b>Net cash flow from investing activities</b>		
Purchase of investment securities	(12,798,227)	(12,458,160)
Proceeds from sale and redemption of investment securities	3,885,974	7,336,996
Purchase of property and equipment	(844,263)	-
Proceeds from sale of property and equipment	(47,984)	(7,268)
Purchase of intangible assets	(56,245)	(165,944)
<b>Net cash from / (used in) investing activities</b>	<b>(9,860,745)</b>	<b>(5,294,376)</b>
<b>Net cash flow from financing activities</b>		
Proceeds from issue of share capital	-	2,520,000
Proceeds from debt securities issued	6,731,046	-
Redemption of debt securities issued	(11,176,046)	(613,550)
Proceeds from other borrowed funds	3,785,612	3,414,437
Repayment from other borrowed funds	(2,586,039)	(768,308)
Repayment of subordinated loans	-	(5,321,424)
Lease liabilities	(298,531)	(172,856)
<b>Net cash from / (used in) financing activities</b>	<b>(3,543,958)</b>	<b>(941,701)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>27,697,314</b>	<b>(1,620,397)</b>
Cash and cash equivalents at the beginning of the year	<b>33,344,488</b>	<b>43,540,737</b>
Effect of exchange rates changes on cash and cash equivalents	(2,397,306)	44,711
<b>Cash and cash equivalents, ending of period</b>	<b>58,644,496</b>	<b>41,965,051</b>

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**The main economical normatives**

30 June 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	40,013,338	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	12.48%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	13.51%	12.00%	no violation
N2.1 High liquid assets/ Total assets	35.05%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	25.50%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	94.93%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	62.55%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	154.74%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	111.01%	60.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	129.17%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I group CCY	106.69%	60.00%	no violation
N3.1 Maximum risk on a single borrower	11.39%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	16.98%	500.00%	no violation
N4.1 Maximum risk on bank related person	1.26%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	9.99%	20.00%	no violation
Minimum requirement for obligatory reserves allocated with the CBA			
for AMD		4.00%	
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/	1.74%	10.00%	no violation
Foreign currency position /Total capital	1.78%	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	0.73%	7.00%	no violation
other	X	X	no violation

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