

Consolidated Statement of comprehensive income

30 September 2021

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

In thousand Armenian drams	Notes	01/07/21-30/09/21	01/01/21-30/09/21	01/07/20-30/09/20	01/01/20-30/09/20
Interest revenue calculated using effective interest rate	24	6,701,815	19,727,885	6,295,646	19,030,900
Other interest revenue	24	23,464	74,006	65,062	105,388
Interest expense	24	(3,144,802)	(8,919,732)	(2,884,892)	(8,778,187)
<b>Net interest income</b>		<b>3,580,477</b>	<b>10,882,159</b>	<b>3,475,816</b>	<b>10,358,101</b>
Credit loss expense	25	(1,531,043)	(3,499,958)	(525,833)	(2,025,809)
<b>Net interest income after credit loss expense</b>		<b>2,049,434</b>	<b>7,382,201</b>	<b>2,949,983</b>	<b>8,332,292</b>
Fee and commission income	26	1,140,912	2,921,182	810,622	2,201,021
Fee and commission expense	26	(575,796)	(1,426,015)	(331,357)	(935,058)
Net trading income	27	631,264	1,545,545	220,459	966,839
Net gain(loss) from foreign currency translation		(241,810)	(915,542)	162,442	(73,560)
Gains less losses from investment securities available for sale		35,687	116,468	191,649	614,047
Other income	28	259,676	744,590	286,497	852,280
<b>Non-interest income</b>		<b>1,249,933</b>	<b>2,986,228</b>	<b>1,340,312</b>	<b>3,625,569</b>
Personnel expenses	29	(1,373,213)	(4,272,151)	(1,383,409)	(4,329,264)
Depreciation of property and equipment	11	(316,215)	(917,600)	(291,960)	(883,594)
Amortization of intangible assets	12	(11,519)	(38,203)	(12,350)	(46,783)
Other operating and administrative expenses	29	(990,911)	(3,008,535)	(739,768)	(2,317,501)
<b>Non-interest expense</b>		<b>(2,691,858)</b>	<b>(8,236,489)</b>	<b>(2,427,487)</b>	<b>(7,577,142)</b>
<b>Profit before income tax expense</b>		<b>607,509</b>	<b>2,131,940</b>	<b>1,862,808</b>	<b>4,380,719</b>
Profit tax expense	19	(186,434)	(622,279)	(376,932)	(973,373)
<b>Profit for the period</b>		<b>421,075</b>	<b>1,509,661</b>	<b>1,485,876</b>	<b>3,407,346</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		(647,028)	(770,199)	117,104	554,048
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(35,687)	(116,468)	(191,649)	(614,047)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		15,451	41,453	13,100	27,370
Income tax effect	19	120,108	152,139	11,060	5,873
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>(547,156)</b>	<b>(693,075)</b>	<b>(50,385)</b>	<b>(26,756)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(547,156)</b>	<b>(693,075)</b>	<b>(50,385)</b>	<b>(26,756)</b>
<b>Total comprehensive income for the year</b>		<b>(126,081)</b>	<b>816,586</b>	<b>1,435,491</b>	<b>3,380,590</b>

Approval date 14.10.21

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant



D. Azatyan

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

In thousand Armenian drams	Notes	30/09/21	31/12/2020 /Audited/
<b>ASSETS</b>			
Cash and cash equivalents	6	59,105,869	33,344,488
Trading securities	7	863,760	879,049
Amounts due from banks	8	19,597,023	16,944,326
Derivative financial assets	16	5,470	3,651
Loans and advances to customers	9	224,980,388	229,595,621
Investment securities	10	32,563,919	35,548,382
Investment securities pledged under repurchase agreements	10	17,824,341	3,182,001
Property, plant and equipment	11	8,360,233	8,605,113
Intangible assets	12	347,870	330,808
Repossessed assets	13	2,639,744	1,693,043
Prepayments on profit tax	19	-	216,837
Other assets	14	3,116,296	2,093,595
<b>Total assets</b>		<b>369,404,913</b>	<b>332,436,914</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Amounts due to banks	15	20,796,069	6,649,304
Derivative financial liabilities	16	10,761	45,315
Amounts due to customers	17	251,159,211	227,973,075
Bonds issued by the Bank	18	17,620,711	21,527,117
Income tax liabilities		54,634	-
Deferred income tax liabilities	19	1,051,522	915,029
Other borrowed funds	20	25,496,883	23,518,467
Lease liabilities	11	1,562,292	1,761,890
Subordinated debt	21	345,548	366,607
Provisions on contingent liabilities	22	203,095	230,632
Other liabilities	14	1,971,554	1,133,431
<b>Total liabilities</b>		<b>320,272,280</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		3,265,284	3,360,688
Revaluation reserve for financial assets at FVOCI		(1,021,456)	(328,381)
Retained earnings		23,029,757	21,645,069
<b>Total equity</b>		<b>49,132,633</b>	<b>48,316,047</b>
<b>Total liabilities and equity</b>		<b>369,404,913</b>	<b>332,436,914</b>

Approval date 14.10.21

Chief Executive Officer, Chairman of Executive Management

Chief Accountant



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D. Azatyan

**Consolidated Statement of changes in equity**  
30 September 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>	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						-	-
<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						3,407,346	3,407,346
Other comprehensive income for the period				(26,756)		-	(26,756)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,756)</b>	<b>-</b>	<b>3,407,346</b>	<b>3,380,590</b>
Depreciation of revaluation reserve					(95,404)	95,404	-
<b>Balance as of September 30, 2020</b>	<b>19,947,633</b>	<b>63,233</b>	<b>3,627,805</b>	<b>762,662</b>	<b>3,392,488</b>	<b>22,241,411</b>	<b>50,035,232</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						1,509,661	1,509,661
Other comprehensive income for the period				(693,075)		-	(693,075)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(693,075)</b>	<b>-</b>	<b>1,509,661</b>	<b>816,586</b>
Depreciation of revaluation reserve					(95,404)	95,404	-
<b>Balance as of September 30, 2021</b>	<b>19,947,633</b>	<b>63,233</b>	<b>3,848,182</b>	<b>(1,021,456)</b>	<b>3,265,284</b>	<b>23,029,757</b>	<b>49,132,633</b>

Approval date 14.10.21

Chief Executive Officer, Chairman of Executive Management

A. Hakobyan

Chief Accountant

D. Azatyan



**Consolidated Statement of cash flows**  
30 September 2021  
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	01/01/2021- 30/09/2021	01/01/2020- 30/09/2020
<b>Cash flows from operating activities</b>		
Interest received	18,103,346	18,272,737
Interest paid	(8,709,546)	(6,910,034)
Fees and commissions received	2,921,183	2,201,021
Fees and commissions paid	(1,426,015)	(935,058)
Net trading income received	1,454,449	966,839
Other income received	891,750	825,708
Personnel expenses paid	(3,704,271)	(4,250,566)
Administrative and other operating expenses paid	(3,041,497)	(2,363,063)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>6,489,399</b>	<b>7,807,584</b>
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	(9,754)	(2,518,489)
Amounts due from banks	(3,477,803)	2,379,914
Loans and advances to customers	(10,312,476)	2,922,420
Repossessed assets	431,367	(33,133)
Other assets	(1,294,477)	546,771
<i>Net increase/(decrease) in operating liabilities</i>		
Amounts due to banks	15,411,037	(4,687,126)
Amounts due to customers	36,491,920	(4,729,092)
Derivative financial liabilities	94,567	(28,140)
Other liabilities	304,486	258,329
<b>Net cash flows from operating activities before income tax</b>	<b>44,128,266</b>	<b>1,919,038</b>
Income tax paid	(62,177)	(987,503)
<b>Net cash from / (used in) operating activities</b>	<b>44,066,089</b>	<b>931,535</b>
<b>Net cash flow from investing activities</b>		
Purchase of investment securities	(19,158,662)	(22,812,613)
Proceeds from sale and redemption of investment securities	6,466,630	10,994,118
Purchase of property and equipment	(618,198)	-
Proceeds from sale of property and equipment	165,185	14,307
Purchase of intangible assets	(55,265)	(165,944)
<b>Net cash from / (used in) investing activities</b>	<b>(13,200,310)</b>	<b>(11,970,132)</b>
<b>Net cash flow from financing activities</b>		
Proceeds from issue of share capital	-	2,520,000
Proceeds from debt securities issued	9,083,114	-
Redemption of debt securities issued	(11,431,450)	(613,550)
Proceeds from other borrowed funds	5,160,542	4,233,871
Repayment from other borrowed funds	(3,716,396)	(1,595,542)
Repayment of subordinated loans	-	(5,312,939)
Lease liabilities	(451,828)	(214,155)
<b>Net cash from / (used in) financing activities</b>	<b>(1,356,018)</b>	<b>(982,315)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>29,509,761</b>	<b>(12,020,912)</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	(3,748,380)	335,961
<b>Cash and cash equivalents, ending of period</b>	<b>59,105,869</b>	<b>31,855,786</b>

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**The main economical normatives**

30 September 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	40,303,974	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	12.76%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	13.40%	12.00%	no violation
N2.1 High liquid assets/ Total assets	37.73%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	32.49%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	98.31%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	75.68%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	152.00%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	126.60%	80.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	131.90%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I group CCY	122.50%	80.00%	no violation
N3.1 Maximum risk on a single borrower	10.59%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	22.98%	500.00%	no violation
N4.1 Maximum risk on bank related person	1.33%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	13.31%	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/	0.31%	10.00%	no violation
Foreign currency position /Total capital	0.29%	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	X	7.00%	no violation
other	X	X	no violation

Approval date 14.10.21

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