

Consolidated Statement of comprehensive income

December 31, 2021

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

In thousand Armenian drams	Notes	01/10/21-31/12/21	01/01/21-31/12/21	01/10/20-31/12/20	01/01/20-31/12/20
Interest revenue calculated using effective interest rate	24	6,777,110	26,504,995	6,411,355	25,442,255
Other interest revenue	24	23,292	97,298	56,317	161,705
Interest expense	24	(3,292,747)	(12,212,479)	(2,795,645)	(11,573,832)
Net interest income		3,507,655	14,389,814	3,672,027	14,030,128
Credit loss expense	25	734,506	(2,765,452)	(4,086,939)	(6,112,748)
Net interest income after credit loss expense		4,242,161	11,624,362	(414,912)	7,917,380
Fee and commission income	26	1,240,913	4,162,095	901,262	3,102,283
Fee and commission expense	26	(644,396)	(2,070,411)	(397,616)	(1,332,674)
Net trading income	27	462,920	2,008,465	145,531	1,112,370
Net gain(loss) from foreign currency translation		470,638	(444,904)	309,653	236,093
Gains less losses from investment securities available for sale		(1,495)	114,973	116,507	730,554
Other income	28	382,182	1,126,772	333,079	1,185,359
Non-interest income		1,910,762	4,896,990	1,408,416	5,033,985
Personnel expenses	29	(1,674,170)	(5,946,321)	(709,112)	(5,038,376)
Depreciation of property and equipment	11	(327,234)	(1,244,834)	(301,954)	(1,185,548)
Amortization of intangible assets	12	(11,530)	(49,733)	(11,595)	(58,378)
Other operating and administrative expenses	29	(916,898)	(3,925,433)	(1,041,461)	(3,358,962)
Non-interest expense		(2,929,832)	(11,166,321)	(2,064,122)	(9,641,264)
Profit before income tax expense		3,223,091	5,355,031	(1,070,618)	3,310,101
Profit tax expense	19	(605,843)	(1,228,122)	442,476	(530,897)
Profit for the period		2,617,248	4,126,909	(628,142)	2,779,204
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		(144,674)	(914,873)	(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		1,495	(114,973)	(116,507)	(730,554)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		(38,059)	3,394	(1,038)	26,332
Income tax effect	19	32,622	184,761	239,497	245,370
Net other comprehensive income to be reclassified subsequently to profit or loss		(148,616)	(841,691)	(1,091,043)	(1,117,799)
Other comprehensive income for the year, net of tax		(148,616)	(841,691)	(1,091,043)	(1,117,799)
Total comprehensive income for the year		2,468,632	3,285,218	(1,719,185)	1,661,405

Approval date 14.01.22

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



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

In thousand Armenian drams	Notes	31/12/21	31/12/2020 /Audited/
ASSETS			
Cash and cash equivalents	6	56,470,480	33,344,488
Trading securities	7	854,438	879,049
Amounts due from banks	8	21,813,642	16,944,326
Derivative financial assets	16	6,862	3,651
Loans and advances to customers	9	234,288,706	229,595,621
Investment securities	10	40,638,892	35,548,382
Investment securities pledged under repurchase agreements	10	9,509,290	3,182,001
Property, plant and equipment	11	8,202,522	8,605,113
Intangible assets	12	567,275	330,808
Repossessed assets	13	2,529,398	1,693,043
Prepayments on profit tax	19	-	216,837
Other assets	14	2,690,295	2,093,595
Total assets		377,571,800	332,436,914
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks	15	12,978,711	6,649,304
Derivative financial liabilities	16	48,311	45,315
Amounts due to customers	17	261,422,606	227,973,075
Bonds issued by the Bank	18	17,235,691	21,527,117
Income tax liabilities		699,521	-
Deferred income tax liabilities	19	904,643	915,029
Other borrowed funds	20	29,144,282	23,518,467
Lease liabilities	11	1,440,047	1,761,890
Subordinated debt	21	336,885	366,607
Provisions on contingent liabilities	22	149,784	230,632
Other liabilities	14	1,610,054	1,133,431
Total liabilities		325,970,535	284,120,867
Equity			
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		3,233,483	3,360,688
Revaluation reserve for financial assets at FVOCI		(1,170,072)	(328,381)
Retained earnings		25,678,806	21,645,069
Total equity		51,601,265	48,316,047
Total liabilities and equity		377,571,800	332,436,914

Approval date 14.01.22

Chief Executive Officer,
Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



Consolidated Statement of changes in equity
December 31, 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	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						2,779,204	2,779,204
Other comprehensive income for the period				(1,117,799)		-	(1,117,799)
Total comprehensive income for the period	-	-	-	(1,117,799)	-	2,779,204	1,661,405
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	21,645,069	48,316,047
Balance as of January 1, 2021/audited/	19,947,633	63,233	3,627,805	(328,381)	3,360,688	21,645,069	48,316,047
Issue of share capital							-
Distribution to general reserve			220,377			(220,377)	-
Dividends to shareholders						-	-
Total Transactions with owners	-	-	220,377	-	-	(220,377)	-
Profit for the period						4,126,909	4,126,909
Other comprehensive income for the period				(841,691)		-	(841,691)
Total comprehensive income for the period	-	-	-	(841,691)	-	4,126,909	3,285,218
Depreciation of revaluation reserve					(127,205)	127,205	-
Balance as of December 31, 2021	19,947,633	63,233	3,848,182	(1,170,072)	3,233,483	25,678,806	51,601,265

Approval date 14.01.22

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



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

In thousand Armenian drams	01/01/2021- 31/12/2021	01/01/2020- 31/12/2020
Cash flows from operating activities		
Interest received	24,597,934	23,777,411
Interest paid	(8,943,862)	(11,853,217)
Fees and commissions received	4,162,095	3,102,283
Fees and commissions paid	(2,070,411)	(1,332,674)
Net trading income received	2,069,319	1,135,924
Other income received	1,223,686	922,485
Personnel expenses paid	(5,806,959)	(5,316,296)
Administrative and other operating expenses paid	(3,856,793)	(3,562,296)
Cash flows from operating activities before changes in operating assets and liabilities	11,375,009	6,873,620
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	3,122	(271,238)
Amounts due from banks	(5,842,825)	4,658,230
Loans and advances to customers	(19,367,663)	6,092,522
Repossessed assets	522,830	658,557
Other assets	(883,528)	402,785
<i>Net increase/(decrease) in operating liabilities</i>	-	-
Amounts due to banks	7,916,819	(1,701,817)
Amounts due to customers	48,348,317	(7,560,121)
Derivative financial liabilities	(20,820)	13,226
Other liabilities	93,790	(34,979)
Net cash flows from operating activities before income tax	42,145,051	9,130,785
Income tax paid	(137,389)	(1,180,148)
Net cash from / (used in) operating activities	42,007,662	7,950,637
Net cash flow from investing activities		
Purchase of investment securities	(20,781,251)	(30,222,401)
Proceeds from sale and redemption of investment securities	7,853,844	11,593,708
Purchase of property and equipment	(811,754)	(288,356)
Proceeds from sale of property and equipment	237,738	(5,146)
Purchase of intangible assets	(110,471)	(51,926)
Net cash from / (used in) investing activities	(13,611,894)	(18,974,121)
Net cash flow from financing activities		
Proceeds from issue of share capital	-	2,413,334
Proceeds from debt securities issued	8,218,900	-
Redemption of debt securities issued	(11,352,600)	-
Proceeds from other borrowed funds	8,373,541	4,985,907
Repayment from other borrowed funds	(5,190,879)	(2,887,004)
Repayment of subordinated loans	-	(5,599,452)
Lease liabilities	(651,179)	(346,644)
Net cash from / (used in) financing activities	(602,217)	(1,433,859)
Net increase/(decrease) in cash and cash equivalents	27,793,551	(12,457,343)
Cash and cash equivalents at the beginning of the year	33,344,488	43,540,737
Effect of exchange rates changes on cash and cash equivalents	(4,659,979)	2,261,369
Effect of expected credit losses on cash and cash equivalents	(7,580)	(275)
Cash and cash equivalents, ending of period	56,470,480	33,344,488

Approval date 14.01.22

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



The main economical normatives

December 31, 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	42,306,883	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	13.50%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	14.26%	12.00%	no violation
N2.1 High liquid assets/ Total assets	38.04%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	32.57%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	105.50%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	75.75%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	173.10%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	136.70%	80.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	132.40%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I group CCY	122.70%	80.00%	no violation
N3.1 Maximum risk on a single borrower	9.49%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	16.42%	500.00%	no violation
N4.1 Maximum risk on bank related person	0.65%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	8.48%	20.00%	no violation
Minimum requirement for obligatory reserves allocated with the CBA			
		4.00%	
for AMD			
for USD	X	10% in USD, 8% in AMD	
for EUR		10% in EUR, 8% in AMD	no violation
Foreign currency position /Total capital /with Derivatives/	0.18%	10.00%	no violation
Foreign currency position /Total capital	0.18%	10.00%	no violation
Foreign currency position by separate currencies			
	X	7.00%	no violation
for USD			
for EUR	X	7.00%	no violation
for RUB	0.09%	7.00%	no violation
other	X	X	no violation

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