

**Consolidated Statement of comprehensive income**

March 31, 2022

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

<b>In thousand Armenian drams</b>	<b>Notes</b>	<b>01/01/22-31/03/22</b>	<b>01/01/21-31/03/21</b>
Interest revenue calculated using effective interest rate	24	6,986,259	6,464,834
Other interest revenue	24	21,777	26,658
Interest expense	24	(3,455,336)	(2,832,636)
<b>Net interest income</b>		<b>3,552,700</b>	<b>3,658,856</b>
Credit loss expense	25	(346,971)	(671,151)
<b>Net interest income after credit loss expense</b>		<b>3,205,729</b>	<b>2,987,705</b>
Fee and commission income	26	1,007,828	832,407
Fee and commission expense	26	(491,740)	(389,091)
Net trading income	27	796,227	307,892
Net gain(loss) from foreign currency translation		(231,406)	95,730
Gains less losses from investment securities available for sale		7,220	55,782
Other income	28	282,703	166,276
<b>Non-interest income</b>		<b>1,370,832</b>	<b>1,068,996</b>
Personnel expenses	29	(1,735,154)	(1,520,078)
Depreciation of property and equipment	11	(286,567)	(290,170)
Amortization of intangible assets	12	(13,939)	(13,273)
Other operating and administrative expenses	29	(905,247)	(928,469)
<b>Non-interest expense</b>		<b>(2,940,907)</b>	<b>(2,751,990)</b>
<b>Profit before income tax expense</b>		<b>1,635,654</b>	<b>1,304,711</b>
Profit tax expense	19	(380,262)	(278,864)
<b>Profit for the period</b>		<b>1,255,392</b>	<b>1,025,847</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		(533,208)	143,155
Realised (gains)/losses on investments at fair value through other comprehensive income reclassified to the statement of profit or loss		(7,220)	(55,782)
Changes in allowance for expected credit losses of debt instruments at fair value through other comprehensive income		(1,899)	7,430
Income tax effect	19	97,619	(17,065)
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>		<b>(444,708)</b>	<b>77,738</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(444,708)</b>	<b>77,738</b>
<b>Total comprehensive income for the year</b>		<b>810,684</b>	<b>1,103,585</b>

Approval date 14.04.22

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



**Consolidated Statement of financial position**  
 March 31, 2022  
 Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

In thousand Armenian drams	Notes	31/03/22	31/12/21
<b>ASSETS</b>			
Cash and cash equivalents	6	69,098,022	56,470,480
Trading securities	7	839,100	854,438
Amounts due from banks	8	23,194,938	21,813,642
Derivative financial assets	16	9,905	6,862
Loans and advances to customers	9	234,607,996	234,288,706
Investment securities	10	52,619,512	40,638,892
Investment securities pledged under repurchase agreements	10	8,375,231	9,509,290
Property, plant and equipment	11	8,145,311	8,202,522
Intangible assets	12	556,566	567,275
Repossessed assets	13	2,550,287	2,529,398
Prepayments on profit tax	19	-	-
Other assets	14	1,779,916	2,690,295
<b>Total assets</b>		<b>401,776,784</b>	<b>377,571,800</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Amounts due to banks	15	11,955,624	12,978,711
Derivative financial liabilities	16	5,756	48,311
Amounts due to customers	17	281,630,873	261,422,606
Bonds issued by the Bank	18	17,657,411	17,235,691
Income tax liabilities		935,539	699,521
Deferred income tax liabilities	19	872,384	904,643
Other borrowed funds	20	32,245,130	29,144,282
Lease liabilities	11	1,459,956	1,440,047
Subordinated debt	21	346,765	336,885
Provisions on contingent liabilities	22	149,745	149,784
Other liabilities	14	2,105,652	1,610,054
<b>Total liabilities</b>		<b>349,364,835</b>	<b>325,970,535</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	3,848,182
Revaluation surplus for land and buildings		3,213,775	3,233,483
Revaluation reserve for financial assets at FVOCI		(1,614,780)	(1,170,072)
Retained earnings		26,953,906	25,678,806
<b>Total equity</b>		<b>52,411,949</b>	<b>51,601,265</b>
<b>Total liabilities and equity</b>		<b>401,776,784</b>	<b>377,571,800</b>

Approval date 14.04.22

Chief Executive Officer,  
 Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



**Consolidated Statement of changes in equity**

March 31, 2022

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, 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							-
Dividends to shareholders						-	-
<b>Total Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Profit for the period						1,025,847	<b>1,025,847</b>
Other comprehensive income for the period				77,738		-	<b>77,738</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,738</b>	<b>-</b>	<b>1,025,847</b>	<b>1,103,585</b>
Depreciation of revaluation reserve					(31,802)	31,802	-
<b>Balance as of March 31, 2021</b>	<b>19,947,633</b>	<b>63,233</b>	<b>3,627,805</b>	<b>(250,643)</b>	<b>3,328,886</b>	<b>22,702,718</b>	<b>49,419,632</b>
<b>Balance as of January 1, 2022</b>	<b>19,947,633</b>	<b>63,233</b>	<b>3,848,182</b>	<b>(1,170,072)</b>	<b>3,233,483</b>	<b>25,678,806</b>	<b>51,601,265</b>
Issue of share capital							-
Distribution to general reserve							-
Dividends to shareholders						-	-
<b>Total Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Profit for the period						1,255,392	<b>1,255,392</b>
Other comprehensive income for the period				(444,708)		-	<b>(444,708)</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(444,708)</b>	<b>-</b>	<b>1,255,392</b>	<b>810,684</b>
Depreciation of revaluation reserve					(19,708)	19,708	-
<b>Balance as of March 31, 2022</b>	<b>19,947,633</b>	<b>63,233</b>	<b>3,848,182</b>	<b>(1,614,780)</b>	<b>3,213,775</b>	<b>26,953,906</b>	<b>52,411,949</b>

Approval date 14.04.22

Chief Executive Officer, Chairman of Executive Management

A. Grigoryan

Chief Accountant

D. Azatyan



**Consolidated Statement of cash flows**  
 March 31, 2022  
 Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan

<b>In thousand Armenian drams</b>	<b>01/01/2022- 31/03/2022</b>	<b>01/01/2021- 31/03/2021</b>
<b>Cash flows from operating activities</b>		
Interest received	5,615,500	5,412,795
Interest paid	(3,599,351)	(2,332,865)
Fees and commissions received	1,007,828	832,407
Fees and commissions paid	(491,740)	(389,091)
Net trading income received	755,111	352,308
Other income received	183,690	261,924
Personnel expenses paid	(1,218,812)	(1,342,258)
Administrative and other operating expenses paid	(975,882)	(1,152,105)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>1,276,344</b>	<b>1,643,115</b>
<i>Net (increase)/decrease in operating assets</i>		
Trading securities	(10,669)	(9,956)
Amounts due from banks	(7,081,710)	(786,275)
Loans and advances to customers	1,265,989	594,773
Repossessed assets	116,634	127,596
Other assets	1,004,811	(1,186,590)
<i>Net increase/(decrease) in operating liabilities</i>	-	-
Amounts due to banks	62,389	11,886,194
Amounts due to customers	23,406,227	9,646,088
Derivative financial liabilities	21,528	(97,830)
Other liabilities	32,439	612,334
<b>Net cash flows from operating activities before income tax</b>	<b>20,093,982</b>	<b>22,429,449</b>
Income tax paid	(68,118)	(178,874)
<b>Net cash from / (used in) operating activities</b>	<b>20,025,864</b>	<b>22,250,575</b>
<b>Net cash flow from investing activities</b>		
Purchase of investment securities	(12,273,646)	(4,569,716)
Proceeds from sale and redemption of investment securities	1,460,470	1,746,643
Purchase of property and equipment	(133,744)	(844,263)
Proceeds from sale of property and equipment	133,744	568,696
Purchase of intangible assets	(3,230)	(46,821)
<b>Net cash from / (used in) investing activities</b>	<b>(10,816,406)</b>	<b>(3,145,461)</b>
<b>Net cash flow from financing activities</b>		
Proceeds from issue of share capital	-	-
Proceeds from debt securities issued	-	-
Redemption of debt securities issued	-	-
Proceeds from other borrowed funds	4,425,440	765,782
Repayment from other borrowed funds	(1,489,578)	(1,524,957)
Repayment of subordinated loans	-	-
Lease liabilities	(135,019)	(174,099)
<b>Net cash from / (used in) financing activities</b>	<b>2,800,843</b>	<b>(933,274)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,010,301</b>	<b>18,171,840</b>
Cash and cash equivalents at the beginning of the year	56,470,480	33,342,983
Effect of exchange rates changes on cash and cash equivalents	617,400	168,891
Effect of expected credit losses on cash and cash equivalents	(159)	(5,859)
<b>Cash and cash equivalents, ending of period</b>	<b>69,098,022</b>	<b>51,677,855</b>

Approval date 14.04.22

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A. Grigoryan

Chief Accountant

D. Azatyan



**The main economical normatives**

March 31, 2022

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	41,905,260	30,000,000	no violation
N1.1 Core capital/ Risk weighted assets	13.36%	9.00%	no violation
N1.2 Total capital/ Risk weighted assets	13.69%	12.00%	no violation
N2.1 High liquid assets/ Total assets	40.57%	15.00%	no violation
N2.11 High liquid assets/ Total assets for I group CCY	40.53%	4.00%	no violation
N2.2 High liquid assets/ Demand liabilities	117.18%	60.00%	no violation
N2.21 High liquid assets/ Demand liabilities for I group CCY	93.05%	10.00%	no violation
N23 High liquid assets/ Net cash outflow for all CCY	172.20%	100.00%	no violation
N23(FX) High liquid assets/ Net cash outflow for I group CCY	156.60%	100.00%	no violation
N24 Total Available Stable Funding/Total Required Stable Funding for all CCY	149.80%	100.00%	no violation
N24(FX) Total Available Stable Funding/Total Required Stable Funding for I group CCY	137.40%	100.00%	no violation
N3.1 Maximum risk on a single borrower	8.92%	20.00%	no violation
N3.2 Maximum risk on large-scale borrowers	13.96%	500.00%	no violation
N4.1 Maximum risk on bank related person	0.80%	5.00%	no violation
N4.2 Maximum risk on all bank related persons	9.29%	20.00%	no violation
Minimum requirement for obligatory reserves allocated with the CBA			
for AMD		4.00%	
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/	1.50%	10.00%	no violation
Foreign currency position /Total capital	1.50%	10.00%	no violation
Foreign currency position by separate currencies			
for USD	1.31%	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 14.04.22

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