

**PROGRAM PROSPECTUS
SUPPLEMENT**

**FOR BONDS ISSUED BY
CONVERSE BANK CLOSED JOINT STOCK COMPANY**

Yerevan 2019

PROGRAM PROSPECTUS

CONVERSE BANK CLOSED JOINT STOCK COMPANY

Issuer's trade name, organizational/legal form

26/1 Vazgen Sargsyan, Republic Square, 0010 Yerevan, Republic of Armenia

Tel. (+374 10) 511-200, (+374 10) 511-211

Email post@conversebank.am

Website www.conversebank.am

CONVERSE BANK CLOSED JOINT STOCK COMPANY

Main Issuer's name, organizational/legal form

26/1 Vazgen Sargsyan, Republic Square, 0010 Yerevan, Republic of Armenia

Tel. (+374 10) 511-200, (+374 10) 511-211

Email post@conversebank.am

Website www.conversebank.am

FILING OF THE PROSPECTUS WITH THE CENTRAL BANK OF ARMENIA SHALL BY NO MEANS CONFIRM THE SAFETY OF INVESTMENT, ACCURACY OR AUTHENTICITY OF INFORMATION.

Type of securities:	Registered, coupon bond
Form of security:	Dematerialized
Par value per security:	USD 100 (one hundred), AMD 100,000 (one hundred thousand)
Total quantity of issue:	150,000 (one hundred and fifty thousand) with USD, 20,000 (twenty thousand) with AMD
Total value of issue:	USD 15,000,000 (fifteen million), AMD 2,000,000,000 (two billion)
Value per tranche:	To be determined by the Bank Board for each tranche
Quantity per tranche:	Based on total value and par value per tranche
Annual coupon yield:	To be determined by the Bank Board for each tranche
Flotation period:	To be determined by the Bank Board for each tranche
Coupon payment frequency:	To be determined by the Bank Board for each tranche
Form of issue:	Non-underwritten

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RESPONSIBLE PARTIES

We, the undersigned, assure that we have made all reasonable efforts to ascertain the accuracy and integrity of the included information. Therefore, we assure that to the best of our knowledge the information included in the Prospectus is accurate and integral and contains no omission that may misrepresent the substance of the Prospectus.

Signatories

Armen Ter-Tachatyan
Chairman of Board, Converse Bank CJSC

(date)

Arsen Gamaghelyan (Ter Hovel Archpriest)
Converse Bank CJSC Board Member

(date)

Jose Luis Persico
Converse Bank CJSC Board Member

(date)

Artur Hakobyan
Converse Bank CJSC, CEO
Chairman of Executive Management

(date)

Davit Azatyan
Converse Bank CJSC
Head of Accounting Division/Chief Accountant
Member of Executive Management

(date)

Gohar Harutyunyan
Converse Bank CJSC
Operations, Services and IT Director
Member of Executive Management

(date)

Grant Akopian
Converse Bank CJSC Financial Director
Member of Executive Management

(date)

Vahe Dalyan
Converse Bank CJSC Risk Management Director
Member of Executive Management

(date)

Artur Nahapetyan
Converse Bank CJSC
Business Development Director
Member of Executive Management

(date)

Grigory Baghdasaryan
Converse Bank CJSC
Retail Business Director
Member of Executive Management

(date)

Rostom Badalyan
Converse Bank CJSC
Corporate Business Director
Member of Executive Management

(date)

SECTION 1. SUMMARY

The Summary is viewed as the preamble to the Prospectus, and the investor's decision on investments in the offered securities is to be based on the whole Prospectus.

The parties responsible for development of the Summary bear civil liability for incomplete or misleading information (including the translation) contained in the Summary, where the latter is incomplete and misleading for review of the remaining sections of the Prospectus.

The investor can obtain the hard copies of the Prospectus and the supporting documents at the Head Office of the Bank, or the soft copies on the Bank's website: www.conversebank.am.

1.1 Brief Information about the Bank and Activities of the Bank

1.1.1 Bank Details and Contacts

The full firm name of the Bank is:

in Armenian «Շինվերս Բանկ» փակ բաժնետիրական ընկերություն

in Russian закрытое акционерное общество “Конверс Банк”

in English “Converse Bank” closed joint-stock company.

The short firm name of the Bank is:

in Armenian «Շինվերս Բանկ» ՓԲԸ

in Russian ЗАО “Конверс Банк”

in English “Converse Bank” CJSC.

The officially registered address of the Bank is:

26/1 Vazgen Sargsyan, Yerevan, Armenia.

State Registration # 57

Location:

26/1 Vazgen Sargsyan, Yerevan, Armenia.

Contacts:

Tel. (+374 10) 511-200, (+374 10) 511-211

Fax (374 10) 511-212

Email post@conversebank.am,

Website www.conversebank.am:

Country of incorporation: Republic of Armenia

Organizational/legal form: closed joint stock company (registered on 20.12.1993).

For questions relating to investments in bonds, please contact the respective specialists of the Treasury, Dealing and Financial Markets Division of Financial Department of the Bank: (+374 10) 511-206, 511-247.

1.1.2. Foundation and History of the Bank

The Bank has conducted actual business since 1993 and has been active in the RA banking market for 25 years.

The Bank was registered with the Central Bank of Armenian in December 1993, and is the legal successor of North-Armenian joint stock bank.

The Bank was reorganized into Converse Bank closed joint stock company in 1997. The Bank was granted the banking license #97 by the Central Bank of Armenia. Converse Bank closed joint stock company was registered at 26/1, Vazgen Sargsyan, Republic Square, Yerevan, Armenia; and the Central Bank of Armenia (the CBA) was the registering authority.

The trade name and the logotype of the Bank are protected under the RA normative acts and are registered with the RA Patent Office (Trade Name Registration Resolution at 03.06.1999, registration #107913).

The logo of the Bank is:



The founder and major shareholder of the Bank is Advance Global Investments LLC.

1.1.3. Share Capital of the Bank

The Bank’s share capital consists of ordinary and preference shares: shareholders of the Bank are: Advanced Global Investments LLC – ordinary shares 80.94% and 333 preference shares, Haypost Trust Management B.V. – ordinary shares 14.06%, and Armenian Apostolic Church, represented by Mother See of Holy Etchmiadzin – ordinary shares 5%.

To date Converse Bank CJSC has issued and allocated 54,722 (fifty-four thousand seven hundred and twenty-two) ordinary shares, each at AMD 300,000 (three hundred thousand) par value, and 333 (three hundred and thirty-three) convertible preference shares, each at AMD 100 (one hundred) par value, which generate the share capital of the Bank.

1.1.4. Geographic Distribution

As of 31.12.2018, the Bank had 35 branches located in 9 regions of Armenia, Yerevan, and in Stepanakert, the capital of the Republic of Artsakh.

Geographical distribution of branches of the Bank

Regions and cities	Number of branches
Kotayk	6
Lori	1
Syunik	1
Shirak	3
Tavush	2
Armavir	3
Ararat	1
Aragatsotn	1
Gegharkunik	1
Yerevan	15
Stepanakert	1
Total	35

The list of branches is presented in Annex 5.

1.1.5. Position in Banking Sector (as of 31.12.2018)

All in all, 17 Armenia-based banks, Converse Bank CJSC among them, have 537 branches located in Armenia and Republic of Artsakh:

- The share of the Bank's branches in the banking system makes 6.52% (35 branches).

As of 31.12.2018, based on the financial disclosures of banks, the Bank had the following position in the Armenian banking sector by financial results:

- 5th place by total liabilities (AMD 242 B or 5.8% market share),
- 6th place by credit investments (AMD 196.3 B or 6.4% market share),
- 6th place by liabilities to customers (AMD 185.4 B or 6.5% market share)
- 7th place by net profit (AMD 4.9 B or 7.9% market share),
- 7th place by assets (AMD 281.1 B or 5.7% market share),
- 10th place by total capital (AMD 39.1 B or 5.1% market share).

1.1.6. Mission and Strategy of the Bank

The vision of the Bank is to meet the financial needs of our customers and assist them to achieve financial success by offering quality and accessible banking services within the Bank's service network and as well by all available methods of remote banking.

The mission of the Bank is to become the first choice bank in Armenia.

The Bank has adopted the below values when offering services to customers:

- Accessibility
- Affordability
- Novelty
- Awareness
- Support
- Care

The Bank applies Corporate Values:

- Teamwork
- Responsibility
- Delegation of decision making powers
- Integrity
- Training and development
- Inspiration

1.1.7. Business Profile

The main business directions of the Bank will include:

1. Having a retail orientation and focusing on the development of services offered to individuals, at the same time based on the actual results of past years, the mortgage lending is viewed as an essential business direction.

The growth in the mortgage lending volumes in 2019 will be attributable to the demand generated in the real estate market and 4.5% growth in the construction industry, the demand persisting in the real estate market in 2018, the Government's encouragement policy, and the overall 5.5% growth in the construction industry expected in 2019.

The Bank occupies the 2nd place in the Armenian mortgage loan market and in 2019 intends to place the main focus not only on the portfolio growth but also on the quality portfolio by applying specific mortgage facilities and options, thus preserving and expanding the leading positions in the particular market.

2. In 2019, the Bank will place a specific focus on the areas of lending that will ensure stronger competitive positions.
3. Numerous card promotion measures and actions, expansion of the service list, issuance of cards to target groups on preferential terms and the recorded results of previous years will serve a basis for the Bank to view the payment cards segment as an essential business direction in 2019 and the following years. The Bank intends to further increase the number of payment cards in 2019 and to strengthen its positions in the RA banking system.

Indicator	31.12.2018	30.06.2019
Number of payment cards of banks	2,024,070	2,184,288
Number of cards of Converse Bank CJSC	225,750	221,222
Share of Converse Bank CJSC	11.2%	10.1%

1.1.8. Strategy of the Bank

The core strategic goals of the Bank include:

Based on the shareholder and customer trust and equilibrium between risk, equity and profit, the Bank determines/projects the below medium-term goals and strategic priorities for 2019-2021:

1. Increase the amount of credit investments in 2019, at the same time place an emphasis on streamlining of lending processes and the loan portfolio quality; within the scope of Corporate Social Responsibility Policy of the Bank, implement target industry projects, and issue energy-efficient and GREEN loans;
2. Achieve 10% market share in retail credit investments;
3. Turn into a leader by the amount of mortgage loans by carrying on the improvement of lending process and terms; expand the cooperation with refinancing organizations to increase the amount of financing under refinancing programs;
4. Rank among top banks by main financial ratios;
5. Render innovative services by applying digital banking technologies;
6. Further develop the card business and preserve leading positions and under the same cooperation with international payment systems to introduce newest cards, instruments and opportunities;
7. Extend the cooperation with international financial organizations to attract long-term resources and;
8. Being adherent to the mission of the Bank to become the first choice bank in Armenia, render exemplary customer service by placing an emphasis on the measures to improve the servicing quality and the business processes in the Bank.

1.1.9. Assets Quality

Asset adequacy: As of June 30, 2019, the Bank's net profit made AMD 2.34 B, and the ROE (net profit to average equity ratio) made 11.65%. The total capital to total assets ratio made 14.23%.

Asset quality: The Bank's gross loan portfolio made AMD 206.38 B as of June 30, 2019. Since 2016, the retail and corporate lending terms and processes have been continuously revised to

make the credit facilities more competitive. Due to application of the latter and the Bank's market position and the full utilization of the lending potential, the planned growth in lending is quite realistic.

Asset liquidity: The Bank intends to ensure sustainable and differentiated financial sources to provide for fast and cost-saving satisfaction of unexpected liquidity needs. The below table illustrates the CBA-set norms (average ratio of the final month in the reporting period).

Norms	CBA-set ratios	Actual ratio 30.06.2019	Actual ratio 2018	Actual ratio 2017	Actual ratio 2016
N ₂ ^{1*}	15%	24.53%	23.69%	35.26%	39.01%
N ₂ ^{2**}	60%	86.92%	81.83%	102.49%	116.23%

* Min ratio of high liquid assets to total assets

** Min ratio of high liquid assets to demand liabilities

1.2 Risk Relating to Issuer and Bonds

Risk assumption constitutes the integral part and the consequence of financial operations, and the investor has to take into account that investments in bonds involve certain risks related not only to the Issuer's financial status and business results (Issuer risk) but also to the situation in the financial market (market risk).

The adverse changes in the market can cause the Bank's default on obligations or the decline in the bond price or liquidity in the market. As the result of the aforementioned, the investor may lose the invested amount in whole or in part.

The potential investor prior to taking a decision on investments in the bonds has to be cautious and take into account the below stated risks and other information included in the Prospectus, as well as the own practices, goals, financial resources, risk appetite and expected income. Furthermore, the potential investor has to understand that the below listed risks do not cover all risks the Issuer may ever bear. The Issuer reveals only those they consider essential. Presumably there might be additional risks, which the Issuer does not currently consider essential or which are not known at present, and any such risk can have the aforementioned effect and consequence.

Banking is exposed to a variety of financial risks. The major risks include the credit risk, the market risk, the liquidity risk, the inflation or purchasing power risk, the operational risk, the legal risk and the IT risks.

Strengthened competition due to market concentration: The banking industry is exposed to strong competition, which can have an adverse effect on the Issuer's business and financial results. At the point of development of the Prospectus, several banks were compatible with the Issuer, which further strengthened the competition in the banking sector. However, the Issuer is actively involved in all processes and secures its stable position in the industry.

Credit Risk: Banking assumes credit risk relating to the borrower's default on obligations, due where to the Bank can incur loss. The credit risk is the major risk of the Bank, therefore the Bank keeps the same under its special control. The details of nonperforming loans and assets of the Bank are presented in the attached financial statements and in page 37 of the Prospectus.

When purchasing the bonds of the Bank the investor assumes the potential risk of financial impairment, default of payment of principal and coupons and bankruptcy of the issuer.

Operational Risk: Operational risk is the probability of loss or direct loss arising from inadequate or inaccurate internal processes, human error, systems and external environment, which can have an adverse effect on the equity and profit of the Bank.

The details of banking risks (particularly relating to Converse Bank CJSC), and the measures taken by the Bank to prevent those risks and to minimize their adverse effect are specified in paragraph 3.2 below (page 33).

The investments in bonds offered under the Prospectus involve certain risks.

Market Risk: Market risk is the probability of fluctuation of future cash flows or the real value of financial instruments due to market variables (such as interest rates and exchange rates). Market Risk includes interest rate, price, exchange and equity instrument price risks. To mitigate the adverse impact of the particular risk on the Bank's financial results, the Risk Management Department has established the risk appetite amount and has developed market risk limits, and provides continuous control over their compliance.

Exchange Risk: Exchange risk occurs when issuing bonds with foreign currency. Though the Issuer implements well-balanced and low risk policy for management of the foreign exchange gap of the assets and liabilities, nonetheless the possible essential depreciation of the AMD exchange rate may have an adverse effect on the financial ratios of the Bank. Furthermore, upon USD depreciation, the investor having acquired bonds with USD will make certain loss. When making exchange for investment in bonds, the investor has to also take into account that their income might be less than expected due to unfavorable fluctuation of exchange rate.

Interest Rate Risk: The volatility of interest rates in the Armenian financial market may adversely affect the bond yield and the liquidity rates. Increase of interest rates in the market may also force the Issuer to revise (raise) the bond yield, which will in turn cause the decline or rise of price.

Purchasing Power Risk: The investors have to assume that the actual income receivable by them can be smaller (at the rate of inflation) than the registered coupon yield offered by the Issuer due to inflationary pressures.

Reinvestment Risk: The investors purchasing bonds to be held to maturity have to assume the reinvestment risk; i.e. the risk of inability to reinvest the proceeds from regular coupon payments or the principal payment at least at the same rate of yield.

Liquidity Risk: Liquidity risk may arise from abrupt change in the market situation or the impairment of the Bank's financial status. The Issuer has an action plan for securing the liquidity of bonds (regular coupon payments, competitive yield, listing and permission to trade on regulated market, market maker contracts), nonetheless the Issuer cannot guarantee that the bonds can be sold in the secondary market at any point or at the preferable price.

Geopolitical Risk: The unfavorable changes in geopolitical, regional and in-country political situation may arise negative factors that can affect adversely on the general macroeconomic situation, which in turn can increase the share of nonperforming loans, add the provisioning costs and decrease the Bank's profit.

Regulatory Changes: The Issuer conducts business in one of the regulated industries of the Armenian economy. The introduction of Basel 3 standards from 2018 may have positive or negative impact on the Bank's business and financial results.

Further details on risks relating to the offered bonds are specified in below paragraph 2.1 (page 20).

1.3 Business and Financial Development Trends of the Bank

Converse Bank CJSC is one of the leading banks in Armenia. One of the basic goals of the Bank is the continuous and reliable allocation of capital and as well the timely and quality banking services to its customers. The well-balanced policy of the Bank is the guarantee of stability and good financial-economic results.

Among the priority trends, the Bank considers application of new banking technologies, reliable allocation of resident and nonresident customers' capital and offering and rendering the latter of comprehensive banking services. As a foremost and prospective route for expansion of banking services, the Bank views the remote banking, accessibility of 24/7 service to the best extent possible through both remote banking and the Bank's self-service machines by upgrading the technological base.

The Bank places a special focus on high class and quality customer service and organizes regular trainings for the personnel to improve their performance and to streamline the servicing period. The high professionalism of the personnel allows the Bank to promptly respond to the changes in the market infrastructure, concentrate and use the funds in more perspective areas.

The personnel has increased over the years together with the development and expansion of the business. The total number of employees amounted to 860 (including those in maternity leave) as of 31.12.2018, and 869 as of 30.06.2019.

Based on the Bank's mission and goals, shareholders stance, strengths and weaknesses, opportunities and threats, the Bank has set the following key objectives for 2019:

- Increase the loan portfolio by implementing target industry and target group projects, as well as increase the share of energy-saving loans in the loan portfolio, and issue of Green loans;
- Provide innovative services using new digital banking technologies, to secure accessibility of new banking products and services on different information platforms;
- Expand cooperation with international financial organizations; provide the portfolio growth for the bonds issued by the Bank;
- Take measures to enhance the Bank's card business in 2019, to result in both the increase of number of cards and the growth in transactions with payment cards, specifically by introducing new products and opportunities;
- Improve the customer service quality through implementation of various target projects and actions and improve the applied customer service methods, standards and general principles.

The below table provides a picture of the Bank's business results.

NAME	AMD thousand			
	30/06/19 (unaudited)	31/12/18 (audited)	31/12/17 (audited)	31/12/16 (audited)
ASSETS	285,819,048	281,119,378	252,735,853	190,993,270
LIABILITIES	245,159,772	242,085,077	216,759,687	158,815,267
EQUITY	40,659,276	39,034,301	35,976,166	32,178,003
Net interest income	6,342,278	11,479,371	9,340,184	7,071,897
Operating income (including net commission fees)	8,524,025	16,152,312	13,513,882	9,971,725
Pre-tax profit/(loss)	3,133,589	6,205,862	4,355,884	1,508,590
After-tax profit/(loss)	2,338,386	4,895,271	3,556,046	1,565,032
ROA, %	1.64%	1,86%	1.62%	0.94%
ROE, %	11.65%	13.16%	10.46%	5.84%

1.4 Auditors of the Bank

In 2015-2018, the external auditor of the Bank was Ernst & Young CJSC: address: Office 27, 1 North Avenue; tel. (+374 10) 500-790, fax (+374 10) 500-706, website www.ey.com/am. Hakob Sargsyan is the general director of the company.

The goal of the audit is to obtain sufficient guarantees that the financial statements are free of essential inaccuracies.

No case of refusal from work, re-election or dismissal by the auditor of the Issuer has occurred within 3 years prior to the date of filing of the Prospectus.

1.5 Management Authorities of the Bank

1.5.1. Shareholders of the Bank

Advanced Global Investments LLC – ordinary shares 80.94% and 333 preference shares, Haypost Trust Management B.V. – ordinary shares 14.06%, and Armenian Apostolic Church, represented by Mother See of Holy Etchmiadzin – ordinary shares 5%.

To date Converse Bank CJSC has issued and allocated 54,722 (fifty-four thousand seven hundred and twenty-two) ordinary shares, each at AMD 300,000 (three hundred thousand) par value, and 333 (three hundred and thirty-three) convertible preference shares, each at AMD 100 (one hundred) par value, which generate the share capital of the Bank.

Due to the organizational form of the Bank, the shares of the Bank are not traded on the regulated market. The shares of the Bank are issued termless.

1.5.2. Managerial authorities of the Bank

The Charter of the Bank establishes the following management authorities:

- General Shareholder Meeting (the Meeting),
- Board,
- Executive Authority: CEO and Executive Management.

The Board consists of seven members.

#	Name	Position
1	Armen Ter-Tachatyan	Chairman of Board
2	Juan Pablo Gechidjian	Board Member
3	Arsen Gamaghelyan (Ter Hovel Archpriest)	Board Member
4	Jose Luis Persico	Board Member
5	Daniel Guillermo Simonutti	Board Member
6	Jorge Alberto Del Aguila	Board Member
7	Juan Carlos Ozcoidi	Board Member

The Executive Management consists of eight members.

#	Name	Position
1.	Artur Hakobyan	CEO, Chairman of Management Board
2.	Grant Akopian	Financial Director/Deputy CEO, member of Executive Management
3.	Davit Azatyan	Head of Accounting Division/Chief Accountant, member of Executive Management
4.	Gohar Harutyunyan	Operations, Services and IT Director, member of Executive Management

5.	Vahe Dalyan	Risk Management Director, member of Executive Management
6.	Artur Nahapetyan	Business Development Director, member of Executive Management
7.	Grigory Baghdasaryan	Retail Business Director, member of Executive Management
8.	Rostom Badalyan	Corporate Business Director, member of Executive Management

1.6. Basic Statistical Data of Bonds Offered by the Bank

The bonds issued by Converse Bank CJSC (the Bank) are registered, dematerialized, coupon, medium-term and are to be placed with 3 and more tranche. The placement of the final tranche of bonds will complete no later than within 1 year from approval of the Prospectus by the CBA.

The issued bonds are placed and redeemed with USD for USD bonds, and with AMD for AMD bonds. The payment against the coupons of USD and AMD bonds is made with AMD.

Par value per security:	USD 100 (one hundred) AMD 100,000 (one hundred thousand)
Total quantity of issue:	150,000 (one hundred and fifty thousand) with USD, 20,000 (twenty thousand) with AMD
Total value of issue:	USD 15,000,000 (fifteen million), AMD 2,000,000,000 (two billion)
Value per tranche:	To be determined by the Bank Board for each tranche
Quantity per tranche:	Based on total value and par value per tranche
Annual coupon yield:	To be determined by the Bank Board for each tranche
Flotation period:	To be determined by the Bank Board for each tranche
Coupon payment frequency:	To be determined by the Bank Board for each tranche
Form of issue:	Non-underwritten

The final terms of issuance, placement, trading and redemption of bonds are to be determined by the Bank Board for each tranche.

The final terms and conditions for each issue of bonds are filed with the CBA and posted on the Bank's website www.conversebank.am at least 2 (two) days before issuance.

Early redemption of bonds is not planned.

The bonds issued by the Bank are unsecured.

With this issue the Bank intends to expand and to diversify the base of potential customers, to introduce the potential investors to the Bank's investment instruments on the Armenia Securities Exchange OJSC trading floor, and to disseminate the information about the Bank's credit risk to the broadest range of investors possible. The cash flows from placement of bonds will be an additional resource to expand the volumes of loans issued by the Bank.

1.7. Details of Bond Offering

1.7.1. Outline of Bond Issuance Process

The Issuer's bonds will not be offered for subscription.

The starting and end dates of each tranche are to be determined by the Board.

To acquire bonds, the investors have to complete in due form the respective buy orders (legal entities based on Annex 1, and individuals based on Annex 2) and file the latter with the Bank, make the respective payment, whereby they will confirm the acceptance of the bond issuance terms.

The bond buyer has to have a USD account (for USD bonds) and an AMD account (irrespective of the currency of the issued bond to be purchased) with any bank, and securities account with any Account Operator.

The investor in bonds can earn income from:

- Interest on bonds,
- Capital gain.

The yield on bonds issued by the Bank is taxable for profit tax (for legal entities) and income tax (for individuals) in compliance with the RA Taxation Code.

1.7.2. Payment procedure

The buyers of the bonds have to make the payments on the day of submission to the Bank of the buy order in due form (whereby they will confirm the acceptance of terms of issue), no later than 16:30, through cash payment or transfer onto the special transit accounts opened with the Bank #1930043129906501 (for USD bonds) and #1930043123398600 (for AMD bonds). The amount payable for the bonds is calculated by the below formula (page 17), by multiplying the price per bond at the particular date of placement by the number of purchased bonds; furthermore, where the buy order was placed and the respective amount was paid by 16:30 of the particular day, the price of the bond is determined at the particular date. The amount of payment for the buy order placed and/or effected after 16:30 is determined at the price of the bond at the following business day.

1.7.3. Bond Price Calculation Formula

$$DP = \frac{C}{f} \sum_{t=1}^N \frac{1}{\left(1 + \frac{y}{100 * f}\right)^{t-1+\tau}} + \frac{100}{\left(1 + \frac{y}{100 * f}\right)^{N-1+\tau}}$$

where

$$\tau = \frac{DSN}{DCC}$$

DP is the price of bond (is rounded after the decimal point by 4 digit accuracy, based on the arithmetical rounding rules),

DSN is the number of days left from the day of deal through the subsequent payment of coupon, upon respective conditionality

DCC is the number of days from the coupon payment day preceding the deal through the coupon payment succeeding the deal, upon respective conditionality

f is the number of coupons paid in 1 year, frequency

N is the number of coupon payments left at the point of calculation,

C is the annual coupon against 100 unit par value,

y is the yield to maturity.

The value per tranche is determined by the Board based on the market demand.
The Bank undertakes to publish the bond price of each issue throughout the placement on its website: www.conversebank.am.

The coupon payable for the bond is calculated with the periodicity established by the Board per issue, on the respective day of each nth month following the starting day of placement.
The coupon payable for the bond is calculated by the following formula.

$$AI = FV \times \frac{C}{k} \times \frac{DCS}{DCC}$$

where

AI is the accumulated coupon income,

FV is the face value per bond,

C is the annual nominal interest rate of coupon,

k is the number of coupons payable annually, frequency (upon semiannual payment of coupons k=2).

The conditionality of calculation of days for the Issuer's bonds is deemed Actual/Actual; furthermore:

DCS is the number of days between the starting date of coupon redemption/coupon accumulation preceding the day of the deal and the day of the deal, upon the respective conditionality [D2M2Y2-D1M1Y1],

DCC is the number of days in coupon cycle upon the respective conditionality [D3M3Y3-D1M1Y1],

D1M1Y1 is the date of coupon redemption/start of coupon accumulation preceding the date of the deal,

D2M2Y2 is the date of the deal,

D3M3Y3 is the date of coupon redemption/par value redemption succeeding the date of the deal.

The annual coupon interest rate payable for each tranche is to be determined by the Board.

1.8. Maintenance of Bond Registry

The Bond Register will be maintained by the Central Depository of Armenia OJSC (5th floor, 26/1 Vazgen Sargsyan, 0010 Yerevan, Armenia), tel. (+374) 60 615555, in compliance with the rules and regulations of the Central Depository of Armenia OJSC.

1.9. Other Essential Information

Under the RA Law on GUARANTEE OF REMUNERATION OF BANK DEPOSITS OF PHYSICAL ENTITIES, Article 2.1(c), the funds attracted with registered securities issued by the Bank are deemed a bank deposit. Therefore, the investments of individuals, including the sole proprietors in the registered bonds issued by the Bank, as well as the earned interests are guaranteed to the same amount and in the same order as the deposits.

The Bank pays the coupon sum to the bondholders on the coupon calculation day. Where the coupon calculation day is a non-business day, the payment day is deemed the first business day following the particular day. The coupon payments are made with AMD. For USD bonds, the coupon is calculated at the average USD/AMD market exchange rate published by the CBA on the day preceding the coupon calculation.

1.10. Brief Financial Info

The annual and quarterly financial statements and the financial ratio calculation formulae are presented in Annexes 6 and 7.

AMD thousand

Indicator	30/06/2019 (unaudited)	31/12/18 (audited)	31/12/17 (audited)	31/12/16 (audited)
Net profit after profit tax deduction	2,338,386	4,895,271	3,556,046	1,565,032
Average equity	40,131,526	37,206,903	34,009,567	26,807,180
ROE, %	11.65%	13.16%	10.46%	5.84%
Net profit after profit tax deduction	2,338,386	4,895,271	3,556,046	1,565,032
Average total assets	284,851,812	262,700,958	219,555,541	167,144,815
ROA, %	1.64%	1.86%	1.62%	0.94%
Net profit after profit tax deduction	2,338,386	4,895,271	3,556,046	1,565,032
Operating income	8,524,025	16,152,312	13,513,882	9,971,725
Net profit margin (NPM), %	27.43%	30.31%	26.31%	15.69%
Operating income	8,524,025	16,152,312	13,513,882	9,971,725
Average total assets	284,851,812	262,700,958	219,555,541	167,144,815
Assets utilization ratio (AU), %	5.98%	6.15%	6.16%	5.97%
Average total assets	284,851,812	262,700,958	219,555,541	167,144,815
Average equity	40,131,526	37,206,903	34,009,567	26,807,180
Equity multiplier (EM)	7.10	7.06	6.46	6.24
Net interest income	6,342,278	11,479,371	9,340,184	7,071,898
Average earning assets	229,162,164	210,692,285	164,028,097	115,653,469
Net interest margin (NIM)	0.06	0.05	0.06	0.06
Interest income	11,691,911	21,114,678	17,624,253	13,859,656
Average earning assets	229,162,164	210,692,285	164,028,097	115,653,469
Yield on earning assets	0.10	0.10	0.11	0.12
Interest expense	5,349,633	9,635,307	8,284,069	6,787,759
Liabilities involving interest expense	241,674,431	239,394,745	213,602,196	156,653,307
Costs of liabilities involving interest expense	0.04	0.04	0.04	0.04
Net profit after profit tax deduction	2,338,386	4,895,271	3,556,046	1,565,032
Average weighted number of shares	54,722	54,722	54,722	31,074
Earnings per share (EPS)	85.22	89.34	64.86	50.36
Spread	0.06	0.06	0.07	0.08

NOTICE TO INVESTOR

THE SUMMARY IS TO BE VIEWED AS THE PREAMBLE TO THE PROSPECTUS. THE INVESTOR'S DECISION ON INVESTMENTS IN THE OFFERED SECURITIES IS TO BE BASED ON THE WHOLE PROSPECTUS.

THE PARTY RESPONSIBLE FOR DEVELOPMENT OF THE SUMMARY BEARS CIVIL LIABILITY FOR INCOMPLETE OR MISLEADING INFORMATION (INCLUDING THE TRANSLATION) CONTAINED IN THE SUMMARY, WHERE THE LATTER IS INCOMPLETE AND MISLEADING FOR REVIEW OF THE REMAINING SECTIONS OF THE PROSPECTUS.

Amendments made to the Program Prospectus

- The information was revised in paragraph 2.6 of the Program Prospectus, according whereto the rating granted by Moody's Investor Service, Inc. was updated and improved on 26.09.2019.

2.6 Additional Information

- Issuer rating:** Based on the updated rating of Converse Bank CJSC by Moody's Investor Service, Inc. (November 1, 2017), the Issuer has the below ratings as of 30.09.2019.

Category	Ratings
Outlook	Stable
Counterparty risk rating	Ba3 (long-term) NP (short-term)
Bank deposits	B1 (long-term) NP (short-term)
Baseline credit assessment	B1
Adjusted baseline credit assessment	B1
Counterparty risk assessment	Ba3(cr) (long-term) NP(cr) (short-term)

The issued bonds have not been rated.

- The information in the tables referring to risk factors in Section 3.1 has been dated 30.06.2019.

3.1. Risk Factors

The below table illustrates the gross loan portfolio analysis by security.

	<i>30/06/2019: AMD thousand (unaudited)</i>	<i>As of 31/12/2018: AMD thousand (audited)</i>	<i>As of 31/12/2017: AMD thousand (audited)</i>	<i>As of 31/12/2016: AMD thousand (audited)</i>
Real estate-based loans	112,309,738	110,812,306	82,040,110	58,061,771
Gold-based loans	20,625,891	19,187,836	15,950,465	13,485,219
Loans backed with company guarantees	13,207,577	16,179,084	6,383,684	5,895,609
Car-based loans	3,339,222	3,245,056	2,320,430	1,977,955
Cash-covered loans	23,369,400	19,562,679	35,148,213	27,221,417
Loans backed with inventory	3,240,505	3,467,548	676,734	896,863
Loans backed with equipment	1,234,755	1,447,721	3,300,657	1,485,529
Other securities	7,347,325	4,643,581	5,541,894	4,513,789
Other collateral	6,008,781	9,816,041	7,230,345	5,155,737
Unsecured loans	15,694,082	12,319,875	11,438,319	7,885,131
(Total gross loans and borrowings)	206,377,276	200,681,727	170,030,851	123,579,020

The above listed values are the book values of loans, and do not necessarily reflect the real value of collateral. The estimated market value of collateral is based on the evaluation of collateral at the date of issuance of loans. In general, they are not updated until the estimation of loans as individually impaired.

The real value of collateral for individually impaired loans total AMD 6,998,840 K as of December 31, 2018.

Non impaired, non overdue loans and borrowings: The below table illustrates the quality of loans and borrowings by classes.

Loans and borrowings to customers	Non overdue and non impaired			Overdue		Total
	High rating	Standard rating	Low rating	But not individually impaired	Individually impaired	
As of December 31, 2018 AMD ,000 (audited)	19,562,679	171,724,054	1,590,277	1,166,314	6,638,403	200,681,727
As of June 30, 2019 AMD ,000 (unaudited)	23,369,400	170,553,718	3,610,686	1,267,000	7,576,472	206,377,276

Overdue, but not individually impaired loans: The analysis of the overdue but not individually impaired loans and borrowings is illustrated in the below table.

As of 31/12/2018: AMD ,000 (audited)					
	Up to 30 days	31-60 days	61-90 days	Above 90 days	Total
Loans and borrowings to customers					
Industry	0	0	0	0	0
Agriculture	0	0	0	19,865	19,865
Construction	0	0	0	37,832	37,832
Trade	0	1,937	0	24,954	26,891
Transport and communications	0	0	0	0	0
Consumer loans to individuals	165,681	114,044	78,818	452,409	810,952
Mortgage loans	42,049	6,454	19,591	173,019	241,113
Services	0	19,597	0	0	19,597
Other	3,296	0	0	6,768	10,064
Total	211,026	142,032	98,409	714,847	1,166,314

As of 30/06/2019: AMD ,000 (unaudited)					
	Up to 30 days	31-60 days	61-90 days	Above 90 days	Total
Loans and borrowings to customers					
Industry	0	0	0	0	0
Agriculture	5,406	0	0	0	5,406
Construction	0	0	0	19,173	19,173
Trade	21,424	0	0	20,953	42,376
Transport and communications	6,085	0	0	0	6,085
Consumer loans to individuals	331,036	178,511	119,136	367,422	996,106
Mortgage loans	21,167	27,546	4,287	120,623	173,622
Services	0	0	0	20,494	20,494
Other	0	0	0	3,736	3,736
Total	385,119	206,057	123,423	552,402	1,267,000

At the same time the specific features of the Bank's credit risk are as follows:

Loan reserve / Total loans = 2.01%

Nonperforming loans / Total loans = 4.29%

Loan reserve / Total capital = 10.2%

Earnings coverage ratio (net operating income + provisioning costs) / Net loss from loans = 395.39%

The Bank estimates the liquidity ratios based on the requirements of the CBA.
As of 30.06.2019, the liquidity ratios were:

Liquidity Ratios	30/06/2019, %	31/12/2018, %	31/12/2017, %
N21 – Total liquidity (quick assets/total assets)	24.53	23.69	35.26
N22 – Current liquidity (quick assets/demand liabilities)	86.92	81.83	102.49

3. The information in the tables referring to risk factors in Section 3.4 has been dated 30.06.2019.

3.4. Business Profile

1. Numerous card promotion measures and actions, expansion of the service list, issuance of cards to target groups on preferential terms and the recorded results of previous years will serve a basis for the Bank to view the payment cards segment as an essential business direction in 2019 and the following years. The Bank intends to further increase the number of payment cards in 2019, and to strengthen its positions in the RA banking system.

Indicator	30.06.2019
Number of payment cards of banks	2,184,288
Number of cards of Converse Bank CJSC	221,222
Share of Converse Bank CJSC	10.1%

Characteristics of funds allocated by the Bank in recent years.

Direction of allocation	30/06/2019 (unaudited)		31/12/18 (audited)		31/12/17 (audited)		31/12/16 (audited)	
	amount (AMD ,000)	average %	amount (AMD ,000)	average %	amount (AMD ,000)	average %	amount (AMD ,000)	average %
Loans, including	206,377,276	10.39%	200,641,433	10.09%	170,030,851	10.86%	123,579,020	11.74%
- business	106,524,705	9.03%	110,951,588	8.66%	97,844,810	9.13%	71,198,846	9.45%
- consumer	60,443,284	13.05%	53,911,223	13.04%	42,839,101	15.15%	31,088,469	17.59%
- mortgage	38,481,212	9.99%	35,021,223	10.10%	28,612,812	10.36%	20,706,198	11.15%
- auto	928,075	9.23%	757,399	8.80%	298,382	11.82%	339,898	15.25%
- other					435,747	11.29%	245,609	14.22%
With banks and other financial institutions	1,860,946	0.00%	5,222,033	0.93%	10,546,355	4.6%	2,320,882	0%
In RA government securities	17,766,548	9.18%	19,931,615	8.35%	22,707,948	8.96%	13,273,481	9.24%

Characteristics of funds attracted by the Bank in recent years.

Direction of attraction	30/06/2019 (unaudited)		31/12/18 (audited)		31/12/17 (audited)		31/12/16 (audited)	
	amount (AMD ,000)	average %	amount (AMD ,000)	average %	amount (AMD ,000)	average %	amount (AMD ,000)	average %
Deposits, including:	192,807,479	4.04%	185,437,965	4.09%	173,914,157	4.21%	139,680,217	4.70%
- time	121,282,407	5.87%	116,545,879	5.93%	106,572,818	6.30%	90,840,564	7.20%
- demand	71,525,072	0.93%	68,892,086	0.97%	67,341,339	0.91%	48,839,653	0.78%
From banks and other financial institutions	25,042,215	6.35%	31,423,934	5.84%	27,832,817	5.50%	9,374,272	8.46%

The Bank offers clearing/settlement and other banking services to the customers, the indicators and dynamics whereof are illustrated below.

	As of 30/06/19	As of 31/12/18	As of 31/12/17	As of 31/12/16
Number of corporate accountholders	7,570	6,681	7,672	6,556
Number of individual accountholders	132,634	150,390	117,701	108,096
Number of current accounts	301,340	281,987	305,976	257,772
Number of time deposits	12,733	11,449	11,320	10,349
Outgoing transfers by legal entities (AMD million)	79,510	152,499	176,565	133,785
Incoming transfers for legal entities (AMD million)	77,632	146,087	151,579	108,020
Outgoing transfers by individuals (SWIFT, Western Union, Migom, etc.) (AMD million)	16,363	30,122	39,823	22,774
Incoming transfers for individuals (SWIFT, Western Union, Migom, etc.) (AMD million)	37,096	59,226	76,618	59,119

In the recent 3 years Converse Bank's position among the banks is illustrated below, by specific directions.

Position by directions	30/06/2019 (unaudited)	2018 (audited)	2017 (audited)	2016 (audited)
Assets	7 th	7 th	6 th	9 th
Equity	10 th	10 th	10 th	12 th
Loans	6 th	6 th	6 th	9 th
Liabilities	7 th	5 th	6 th	9 th

Profitability ratios	30/06/2019	2018	2017	2016
ROE	11.65%	13.15%	10.66%	5.84%
ROA	1.64%	1.86%	1.65%	0.94%

The share of Converse Bank CJSC in the RA banking industry is illustrated below.

AMD ,000					
		Assets	Credit investments	Liabilities	Total capital
As of 30/06/2019 (unaudited)	Industry	5,256,474,781	3,252,441,893	4,467,587,285	788,887,496
	BANK	285,819,048	202,224,274	245,159,772	40,659,276
	%	5.44%	6.22%	5.49%	5.15%
As of 31/12/2018 (audited)	Industry	4,909,439,649	3,049,547,729	4,164,286,402	745,153,247
	BANK	281,119,378	196,282,332	242,085,077	39,034,301
	%	5.73%	6.44%	5.81%	5.24%
As of 31/12/2017 (audited)	Industry	4,328,516,405	2,658,003,424	3,634,437,994	694,078,411
	BANK	252,735,853	165,167,500	216,759,687	35,976,166
	%	5.84%	6.21%	5.96%	5.18%

As of 31/12/2016 (audited)	Industry	4,019,621,599	2,528,952,222	3,359,196,520	660,425,139
	BANK	190,993,270	119,024,824	158,815,267	32,178,003
	%	4.75%	4.71%	4.73%	4.87%

4. The amendments were made to Section 3.8. Managerial Authorities of the Bank, according whereto Grant Akopian was appointed to the position of Financial Director/Deputy CEO, and Karen Ghahramanyan was appointed to the position of Head of Internal Audit.

3.8 Managerial Authorities and Members of Managerial Authorities of the Bank

The Executive Management

Grant Akopian

Financial Director/Deputy CEO

Member of Executive Management

Was born on April 15, 1980 in Yerevan, Armenia.

Bachelor in Economics at University of Buenos Aires; and MBA at Columbia University (USA).

Is fluent in Spanish, English, Russian and English.

Prior to moving into Armenia, occupied various offices at Corporación América, and was involved in financial business development, merger and acquisition projects.

Hrant Hakobyan started working in Armenia in 2008. 2008-2011, worked at Haypost Trust Management B.V. and performed Corporate Development functions at Haypost CJSC, and to date has been the Board member of Haypost CJSC. 2011-2017, Adviser to CEO at Converse Bank CJSC.

In February 2017, took the office of Financial Director at Converse Bank CJSC.

On August 1, 2019, he was appointed in the position of Financial Director/Deputy CEO of Converse Bank CJSC by preserving the powers of the member of Executive Management of Converse Bank CJSC.

3.8.2. Information on Parties Involved in Management of Issuer

Name	Position	Place of residence (address)	Specialty	Office held in recent 3 years, including combined jobs
Armen Ter-Tachatyan	Chairman of Board	120 -10 Chekhov street, Yerevan	Lawyer	TER-TACHATYAN Legal and Business Consulting CJSC, Shareholder/Director Converse Bank CJSC, Chairman of Board
Juan Pablo Gechidjian	Board Member	23 Arax, Vahagni District	Manager	Haypost CJSC, Chairman of Observers Board Advanced Global Investments LLC, Director Converse Bank CJSC, Board member Armenia International Airports, Director
Arsen Gamaghelyan (Ter Hovel)	Board Member	28-15 Zvartnots	Clergyman	Mother See of Holy Etchmiadzin, Priest, Accountant of Financial

Archpriest)				Unit Converse Bank CJSC, Board member
Jose Luis Persico	Board Member	4b-257 Ruy Díaz de Guzmán Buenos Aires	Economist	Converse Bank CJSC, Board member Corporacion America SA as a CFO of Bodegas del Fin del Mundo SA
Daniel Guillermo Simonutti	Board Member	5663-GA1 Honduras Buenos Aires	Accountant	CFO of American International Airports (AIA), the controlling corporation of the concessionaire companies of Zvartnots International Airport, Yerevan, Republic of Armenia and Carrasco International Airport, Montevideo, Republic of Uruguay Converse Bank CJSC, Board member
Jorge Alberto Del Aguila	Board Member	Las Campanillas 602 Del Viso, Buenos Aires, Argentina	Economist / Political Scientist	Converse Bank CJSC, Board member
Juan Carlos Ozcoidi	Board Member	San Carlos 1750 (B1676) – Santos Lugares, Buenos Aires, Argentina	Manager / Economist	Director of Afluente S.A Head of Commercial and Other Policy Development and Control Committee of Converse Bank CJSC Converse Bank CJSC, Board member
Artur Hakobyan	CEO, Chairman of Executive Management	10-2 Totovents, 2 nd Block Nor- Nork, Yerevan	Economist/ Mathematic ian	CEO, Dilijan International School Properties and Dilijan Development Foundations Head of Dilijan Development Project of Armenia Development Initiatives Foundation
Davit Azatyan	Head of Accounting Division/Chief Accountant, Member of Executive Management	11, 3 Ujan, Ashtarak	Engineer	Head of Accounting Department/Chief Accountant, Armeconombank OJSC Financial Director/Chief Accountant Armeconombank OJSC
Gohar Harutyunyan	Operations, Services and IT Director Member of Executive Management	16-46 Hanrapetutyán 7-1 Pushkin	Economist	Head of Accounting Department/Chief Accountant Converse Bank CJSC
Grant Akopian	Financial Director/ Deputy CEO Member of Executive Management	45-9 Aygestan, Yerevan	Economist	Adviser to CEO, Converse Bank CJSC

Vahe Dalyan	Risk Management Director, Member of Executive Management	8/12, 2 nd Lane Sose, Yerevan	Radio-engineer, Financier	Deputy CEO/Head of Corporate Finance Department Converse Bank CJSC
Artur Nahapetyan	Business Development Director Member of Executive Management	31-91, 9 th Block, Nor Nork, Yerevan	Economist	Head of Methodology Unit, Business Development Deputy Director/Head of Strategy, Planning and Research Division Converse Bank CJSC
Grigory Baghdasaryan	Retail Business Director Member of Executive Management	7-7 5 th Microblock, Sevan, Gegharkunik marz	Engineer/ Economist	Regional Manager Converse Bank CJSC
Rostom Badalyan	Corporate Business Director Member of Executive Management	28-10, 11 Nubarashen, Yerevan	Economist	Head of Department of Lending with Own Funds Armbusinessbank CJSC, Director of Easy Pay LLC
Karen Ghahramanyan	Head of Internal Audit	130-2 Guyi, Yerevan	Economist	Internal Audit Department Director Armbusinessbank CJSC

5. The information in the tables referring to the Bank's assets and liabilities, financial status and P&L in Section 3.10 has been dated 30.06.2019.

3.10 Assets and Liabilities, Financial Status, Profit and Loss of the Bank

Financial Statements of Converse Bank CJSC for all years were developed based on the International Financial Reporting Standards.

The annual financial statements verified by the Internal Audit and the external audit reports are presented in Annex 7 hereto.

The below table illustrates the financial results and the annual ROA of Converse Bank CJSC.

,000 AMD

NAME	30/06/19 (unaudited)	31/12/18 (audited)	31/12/17 (audited)	31/12/16 (audited)
ASSETS	285,819,048	281,119,378	252,735,853	190,993,270
LIABILITIES	245,159,772	242,085,077	216,759,687	158,815,267
EQUITY	40,659,276	39,034,301	35,976,166	32,178,003
Net interest income	6,342,278	11,479,371	9,340,184	7,071,898
Operating income (including net commission fees)	8,524,025	16,152,312	13,513,882	9,971,725
Pre-tax profit/(loss)	3,133,589	6,205,862	4,355,884	1,508,590
After-tax profit/(loss)	2,338,386	4,895,271	3,556,046	1,565,032
ROA (%)	1.64%	1,86%	1.62%	0.94%
ROE (%)	11.65%	13.16%	10.46%	5.84%

Financial Activity of the Bank

A. The structure of liabilities (resources) of the Bank is described below.

The equity and attracted funds serve a major source of resources needed for the regular business of financial mediators, including the banks. The Bank has strengthened its resource base in recent years for the purpose of lending and other allocation of funds.

	30/06/19 (unaudited)	Share %	31/12/18 (audited)	Share %	31/12/17 (audited)	Share %	31/12/16 (audited)	Share %
Resources, total Including:	285,819,048	100	281,119,378	100	252,735,853	100	190,993,270	100
Equity	40,659,276	14.23	39,034,301	13.89	35,976,166	14.23	32,178,003	16.85
Liabilities, of which:	245,159,772	85.77	242,085,077	86.11	216,759,687	85.77	158,815,267	83.15
Funds attracted from customers	192,807,479	67.46	187,214,116	66.60	173,914,157	68.81	139,680,217	73.13
Liabilities to banks and other financial organizations	25,042,215	8.76	29,647,783	10.55	27,832,817	11.01	9,374,272	4.91
Other liabilities	2,518,946	0.88	1,482,613	0.53	1,336,873	0.53	841,484	0.44

The below table illustrates the level of performance of the Bank liabilities as of 31.12.2017, 31.12.2018 and 30.06.2019. The actual level of normative indicators set by the Central Bank of Armenia prove that the Bank's capability to perform the liabilities have remained on a high level.

Norms	Actual ratio estimated for the Bank 30/06/19	Actual ratio estimated for the Bank 31/12/18	Actual ratio estimated for the Bank 31/12/17	Allowed ratio set by the CBA
N1 Min ratio of total capital to risk-weighted assets	14.49%	14.34%	16.96%	12.00%
N21 Min ratio of liquid assets in all currencies to total assets in all currencies	24.53%	23.69%	35.26%	15.00%
N22 Min ratio of liquid assets in all currencies to total demand deposits in all currencies	86.92%	81.83%	102.49%	60.00%

B. Structure of Bank's equity in 2016-2018

Capital	30/06/19 (unaudited)	31/12/18 (audited)	31/12/17 (audited)	31/12/16 (audited)
Share capital	16,416,633	16,416,633	16,416,633	16,416,633
Additional paid-in capital	63,233	63,233	63,233	63,233
Reserves:	6,444,762	6,607,610	6,595,921	5,724,323
Main reserve	2,798,799	1,898,319	1,243,064	1,005,996
Revaluation reserve	3,645,963	4,709,291	5,352,857	4,718,327
Accumulated profit/loss	17,734,648	15,946,825	12,900,379	9,973,814
Total capital	40,659,276	39,034,301	35,976,166	32,178,003

THE INVESTOR, BY REVIEWING THIS PROGRAM PROSPECTUS, HAS TO INDEPENDENTLY ASSESS THE RISK OF THEIR INVESTMENT IN PARTICULAR SECURITIES, PRIOR TO DECISION ON ACQUISITION.

ANNEX 3 Organizational Chart of the Bank



