

**INTERIM STATEMENT**

***Other comprehensive income***

"31" March 2014

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

(name and address of the bank)

(thous. drams)

| Item   | Notes | 01.01.14-<br>31.03.14 | 01.01.13-<br>31.03.13 |
|--|-------|-----------------------|-----------------------|
| <b>Other comprehensive income</b>  |       |                       |                       |
| Exchange differences from recalculation of foreign transactions                    |       | -                     |                       |
| Net unrealized losses from changes in fair value of available-for sale instruments |       | (151,280)             | 47,241                |
| Hedging of cash flows  |       | -                     |                       |
| Gain/loss from revaluation of fixed assets   |       |                       |                       |
| Profit tax on other comprehensive income   |       | 30,256                |                       |
| <b>Other comprehensive income after tax</b>  |       | <b>(121,024)</b>      | <b>47,241</b>         |
| <b>Comprehensive profit/ loss</b>  |       | <b>80,411</b>         | <b>555,664</b>        |
| <b>Including</b>   |       |                       |                       |
| Owner's share  |       |                       |                       |
| Other share  |       |                       |                       |

Approval date 14.04.14







INTERIM STATEMENT  
of changes in equity

\*31\* March 2014

Converse Bank CSJC, V. Sargsyan 26/1 st., Yerevan  
(name and address of the bank)

From the beginning of previous year till reporting date

(thous. drams)

| Names of the equity's items<br>Item   | Share capital    | Share premium/loss | General reserve | Revaluation reserve of financial assets held for sale | Revaluation reserve of fixed assets | Accrual profit (loss) | Total             |
|---|------------------|--------------------|-----------------|---|-------------------------------------|-----------------------|-------------------|
| Balance as of 01 January, 2013/audited/   | 4,860,033        | 63,233             | 715,505         | 185,873   | 2,974,458                           | 7,980,668             | 16,779,560        |
| Profit for the year   |                  |                    |                 |   |                                     | 508,423               | 508,423           |
| Investments in share capital  |                  |                    |                 |   |                                     |                       | 0                 |
| Transfers to reserves   |                  |                    |                 |   |                                     |                       | 0                 |
| Dividends to shareholders   |                  |                    |                 |   |                                     |                       | 0                 |
| <b>Other comprehensive income</b>   |                  |                    |                 |   |                                     |                       | 0                 |
| Adjustment to revaluation reserve on depreciation of PPE  |                  |                    |                 |   | (80,335)                            | 80,335                | 0                 |
| Reassessment of fixed assets  |                  |                    |                 |   |                                     |                       | 0                 |
| Net unrealized gains from changes in fair value   |                  |                    |                 | 30,537  |                                     |                       | 30,537            |
| Net losses realized to comprehensive income statement on disposal of available-for-sale instruments |                  |                    |                 | 16,704  |                                     |                       | 16,704            |
| Income tax relating to components of other comprehensive income                                     |                  |                    |                 |   |                                     |                       | 0                 |
| <b>Total other comprehensive income</b>   | 0                | 0                  | 0               | 47,241  | (80,335)                            | 80,335                | 47,241            |
|   |                  |                    |                 |   |                                     |                       | 0                 |
| <b>Balance as of 31 March, 2013</b>   | <b>4,860,033</b> | <b>63,233</b>      | <b>715,505</b>  | <b>232,914</b>  | <b>2,894,123</b>                    | <b>8,569,416</b>      | <b>17,335,224</b> |
| <b>Balance as of 01 January, 2014</b>   | <b>4,860,033</b> | <b>63,233</b>      | <b>780,365</b>  | <b>819,073</b>  | <b>4,054,480</b>                    | <b>8,355,747</b>      | <b>18,932,931</b> |
| Profit for the year   |                  |                    |                 |   |                                     | 201,435               | 201,435           |
| Investments in share capital  |                  |                    |                 |   |                                     |                       | 0                 |
| Transfers to reserves   |                  |                    |                 |   |                                     |                       | 0                 |
| Dividends to shareholders   |                  |                    |                 |   |                                     |                       | 0                 |
| <b>Other comprehensive income</b>   |                  |                    |                 |   |                                     |                       | 0                 |
| Adjustment to revaluation reserve on depreciation of PPE  |                  |                    |                 |   | (23,748)                            | 23,748                | 0                 |
| Reassessment of fixed assets  |                  |                    |                 |   |                                     |                       | 0                 |
| Net unrealized gains from changes in fair value   |                  |                    |                 | (230)   |                                     |                       | (230)             |
| Net losses realized to comprehensive income   |                  |                    |                 | (151,050)   |                                     |                       | (151,050)         |
| Income tax relating to components of other comprehensive income                                     |                  |                    |                 | 30,256  |                                     |                       | 30,256            |
| <b>Total other comprehensive income</b>   | 0                | 0                  | 0               | (121,024)   | (23,748)                            | 23,748                | (121,024)         |
| <b>Balance as of 31 March, 2014</b>   | <b>4,860,033</b> | <b>63,233</b>      | <b>780,365</b>  | <b>698,049</b>  | <b>4,030,732</b>                    | <b>8,590,930</b>      | <b>19,013,342</b> |

Approval date 14.04.14



INTERIM STATEMENT

on cash flow of bank

"31" March 2014

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

(name and address of the bank)

(thous. drams)

| Item   | From beginning of current year till reporting date | From beginning of previous year till reporting date / audited/ |
|--|--|--|
| <b>1. Net cash flow from operational activities</b>  | <b>x</b>   | <b>x</b>   |
| Interests received   | 2,749,867  | 2,187,540  |
| Interests paid   | (1,241,835)  | (1,235,383)  |
| Fees and Commissions received  | 398,205  | 329,963  |
| Fees and Commissions paid  | (129,444)  | (111,969)  |
| Gains less losses from trading securities  | 68   | -  |
| Realised gains from dealing in foreign currencies  | 196,111  | 170,681  |
| Recovery of previously written off loans   | 248,621  | 105,135  |
| Other income received  | 113,921  | 212,890  |
| Salaries and benefits paid   | (557,048)  | (684,614)  |
| Other operating expenses paid  | (484,745)  | (491,662)  |
| <b>Cash flows from operating activities before changes in operating assets and liabilities</b> |  |  |
| <b>Net (increase)/decrease in operating assets</b>   | <b>(4,726,846)</b>                                 | <b>(7,071,952)</b>   |
| Deposited funds with the CBA   | 350,000  | 250,000  |
| Precious metals  | (86,809)   | (40,375)   |
| Trading securities   | 25,862   | 7,708  |
| Derivative transactions  | -  | (1,025)  |
| Amounts due from other financial institutions  | (5,431,328)  | (95,029)   |
| Loans and advances to customers  | 57,757   | (5,732,374)  |
| Other assets   | 357,672  | (1,460,857)  |
| <b>Increase/(decrease) in operating liabilities</b>  | <b>1,220,220</b>                                   | <b>299,829</b>   |
| Amounts due to financial institutions  | 152,536  | 453,633  |
| Amounts due to customers   | 474,632  | 13,171   |
| Trading liabilities  | -  | -  |
| Other liabilities  | 593,052  | (166,975)  |
| <b>Net cash flow from operating activities before income tax</b>                               | <b>(2,212,905)</b>                                 | <b>(6,289,542)</b>   |
| Income tax paid  | -  | -  |
| <b>Net cash from operating activities</b>  | <b>(2,212,905)</b>                                 | <b>(6,289,542)</b>   |
| <b>2. Net cash flow from investing activities</b>  | <b>x</b>   | <b>x</b>   |
| Purchase of investment securities  | (86,096)   | (264,812)  |
| Dividends received   | 654  | 549  |
| Purchase of property, equipment and intangible assets  | (33,038)   | (364,760)  |
| Proceeds from sale of property, equipment and intangible assets                                | 508  | 1,676,826  |
| <b>Net cash used in investing activities</b>   | <b>(117,972)</b>                                   | <b>1,047,803</b>   |
| <b>Net cash flow from financing activities</b>   |  |  |
| Issue of share capital   | -  | -  |
| Loans received from financial organizations  | 1,261,854  | 29,310   |
| Redemption of debt securities issued   | -  | -  |
| Dividends paid to shareholders   | -  | -  |
| <b>Net cash flow from financing activities</b>   | <b>1,261,854</b>                                   | <b>29,310</b>  |
| <b>Net increase in cash and cash equivalents</b>   | <b>(1,069,023)</b>                                 | <b>(5,212,429)</b>   |
| Cash and cash equivalents at the beginning of the year   | 21,103,526   | 35,899,638   |
| Effect of exchange rate changes on cash and cash equivalents                                   | 59,815   | 719,363  |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>20,094,318</b>                                  | <b>31,406,572</b>  |

Approval date 14.04.14

Chief Executive Officer  
(Executive Director)

T. Davtyan

Chief Accountant

G. Harutyunyan

