

INTERIM STATEMENT  
*Other comprehensive income*

"30" June 2014

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

(thous. drams)

Item	Notes	01.04.14- 30.06.14	01.01.14- 30.06.14	01.04.13- 30.06.13	01.01.13- 30.06.13
Other comprehensive income					
Exchange differences from recalculation of foreign transactions		-			
Net unrealized losses from changes in fair value of available-for sale instruments		369	(150,911)	66,687	113,928
Hedging of cash flows		-			
Gain/loss from revaluation of fixed assets					
Profit tax in other comprehensive income		(74)	30,182		
Other comprehensive income after tax		295	(120,729)	66,687	113,928
Comprehensive profit/ loss		702,036	782,447	87,744	643,408
Including					
Owner's share					
Other share					

Approval date 14.07.14

  
Chief Executive Officer (Executive director)  T. Davtyan  
Chief Accountant  G. Harutyunyan

**INTERIM STATEMENT**  
**on comprehensive financial results**

«30» June 2014

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

(name and address of the bank)

(thous. drams)

Item	Note	01.04.14-30.06.14	01.01.14-30.06.14	01.04.13-30.06.13	01.01.13-30.06.13
Interest and similar income	6	3,123,616	6,078,216	2,624,043	5,133,459
Interest and similar expenses	6	(1,556,116)	(3,083,020)	(1,373,336)	(2,639,154)
<b>Net interest income</b>		<b>1,567,500</b>	<b>2,995,196</b>	<b>1,250,707</b>	<b>2,494,305</b>
Income from commissions and other fees	7	383,289	723,786	287,628	570,867
Expenses regarding commissions and other fees	7	(118,217)	(247,662)	(103,730)	(215,698)
<b>Net commissions received</b>		<b>265,072</b>	<b>476,124</b>	<b>183,898</b>	<b>355,169</b>
Income from dividends	9	653	1,307	557	1,106
Net trading income	8	148,258	384,327	60,633	217,412
Other operational income	9	116,849	196,022	233,260	344,551
<b>Operational income</b>		<b>2,098,332</b>	<b>4,052,976</b>	<b>1,729,055</b>	<b>3,412,543</b>
Impairment charge for credit losses	10	232,692	2,417	(118,912)	333,966
Total administrative expenses	11,20,21	(1,382,267)	(2,800,560)	(1,535,110)	(2,995,395)
Other operational expenses	12	(49,090)	(96,915)	(44,552)	(80,660)
Net loss/gain from investments in units under control					
<b>Profit/ (loss) before tax</b>		<b>899,667</b>	<b>1,157,918</b>	<b>30,481</b>	<b>670,454</b>
Profit tax	13	(197,926)	(254,742)	(9,424)	(140,974)
<b>Net profit/ (loss)</b>		<b>701,741</b>	<b>903,176</b>	<b>21,057</b>	<b>529,480</b>
Including					
Owner's share					
Other share					

Approval date 14.07.14





# INTERIM FINANCIAL STATEMENT

"30" June 2014

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

(name and address of the bank)

(thous. drams)

	Item	Notes	Current period	Previous year/audited/
<b>1</b>	<b>Assets</b>			
1.1	Cash and balances with CBA	14	17,180,152	21,103,526
1.2	Trading securities	15	206,334	268,904
1.3	Amounts due from other financial institutions	16	11,524,405	2,883,839
1.4	Derivative instruments	17		
1.5	Loans and advances to customers	18	78,245,281	79,957,304
1.6	Investments available for sale	19	7,794,482	7,594,409
1.7	Securities pledged under repurchase agreements	28		
1.8	Property, plant and equipment	20	7,287,833	7,313,542
1.9	Intangible assets	21	190,200	191,883
1.10	Assets held for sale	22	2,732,834	1,012,014
1.11	Deferred tax assets	13		
1.12	Prepaid income taxes		12,196	46,763
1.13	Other assets	23	1,901,522	998,479
	<b>Total assets</b>		<b>127,075,239</b>	<b>121,370,663</b>
<b>2</b>	<b>LIABILITIES AND EQUITY</b>			
	<b>Liabilities</b>			
2.1	Amounts due to RA CB	24	4,926,760	4,043,242
2.2	Amounts due to financial institutions	25	11,586,881	11,951,850
2.3	Amounts due to customers	26	88,482,057	84,422,004
2.4	Derivative financial liabilities	17		
2.5	Debt securities issued			
2.6	Deferred tax liabilities	13	1,621,436	1,533,878
2.7	Other liabilities	27	742,727	486,759
	<b>Total liabilities</b>		<b>107,359,861</b>	<b>102,437,733</b>
<b>3</b>	<b>Equity</b>			
3.1	Share capital	31	4,860,033	4,860,033
3.2	Share premium		63,233	63,233
3.3	Statutory general reserve		780,365	780,365
3.3.1	Other reserves		698,344	819,073
3.3.2	Buildings		4,006,984	4,054,481
3.4	Retained earnings		9,306,419	8,355,745
	<b>Total capital</b>		<b>19,715,378</b>	<b>18,932,930</b>
	<b>Total liabilities and capital</b>		<b>127,075,239</b>	<b>121,370,663</b>

Approval date 14.07.14

Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan



INTERIM STATEMENT  
of changes in equity

"30" June 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 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	185,673	2,974,458	7,980,658	16,779,560
Profit for the year						529,480	529,480
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					(160,670)	160,670	0
Reassessment of fixed assets							0
Net unrealized gains from changes in fair value				27,107			27,107
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				86,821			86,821
Income tax relating to components of other comprehensive income							0
<b>Total other comprehensive income</b>	0	0	0	113,928	(160,670)	160,670	113,928
<b>Balance as of 30 June, 2013</b>	<b>4,860,033</b>	<b>63,233</b>	<b>715,505</b>	<b>299,601</b>	<b>2,813,788</b>	<b>8,670,808</b>	<b>17,422,968</b>
Balance as of 01 January, 2014/audited/	4,860,033	63,233	780,365	819,073	4,054,480	8,355,747	18,932,931
Profit for the year						903,176	903,176
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					(47,498)	47,498	0
Reassessment of fixed assets							0
Net unrealized gains from changes in fair value				(9,856)			(9,856)
Net losses realized to comprehensive income				(141,055)			(141,055)
Income tax relating to components of other comprehensive income				30,182			30,182
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(120,729)</b>	<b>(47,498)</b>	<b>47,498</b>	<b>(120,729)</b>
<b>Balance as of 30 June, 2014</b>	<b>4,860,033</b>	<b>63,233</b>	<b>780,365</b>	<b>698,344</b>	<b>4,006,983</b>	<b>9,306,421</b>	<b>19,715,378</b>

Approval date 14.07.14



Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan



INTERIM STATEMENT

on cash flow of bank

"30" June 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	5,986,611	4,783,160
Interests paid	(2,771,153)	(2,465,943)
Fees and Commissions received	841,810	669,531
Fees and Commissions paid	(247,662)	(214,564)
Gains less losses from trading securities	96	20
Realised gains from dealing in foreign currencies	402,824	340,925
Recovery of previously written off loans	376,855	210,386
Other income received	278,182	588,405
Salaries and benefits paid	(1,264,195)	(1,231,727)
Other operating expenses paid	(939,242)	(1,123,582)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		
<b>Net (increase)/decrease in operating assets</b>	<b>(9,392,575)</b>	<b>(10,525,482)</b>
Deposited funds with the CBA	350,000	250,000
Precious metals	(110,262)	19,299
Trading securities	61,809	838
Derivative transactions	-	2,135
Amounts due from other financial institutions	(8,534,697)	(2,048,324)
Loans and advances to customers	1,559,673	(9,623,299)
Other assets	(2,719,098)	873,869
<b>Increase/(decrease) in operating liabilities</b>	<b>2,519,389</b>	<b>3,389,307</b>
Amounts due to financial institutions	1,071,332	869,802
Amounts due to customers	1,789,306	2,552,648
Trading liabilities	-	-
Other liabilities	(341,249)	(33,143)
<b>Net cash flow from operating activities before income tax</b>	<b>(4,209,060)</b>	<b>(5,579,564)</b>
Income tax paid	(100,500)	-
<b>Net cash from operating activities</b>	<b>(4,309,560)</b>	<b>(5,579,564)</b>
<b>2. Net cash flow from investing activities</b>	<b>x</b>	<b>x</b>
Purchase of investment securities	(214,802)	(208,777)
Dividends received	1,307	1,106
Purchase of property, equipment and intangible assets	(134,301)	(560,771)
Proceeds from sale of property, equipment and intangible assets	4,487	28,069
<b>Net cash used in investing activities</b>	<b>(343,309)</b>	<b>(740,373)</b>
<b>Net cash flow from financing activities</b>		
Issue of share capital	-	-
Loans received from financial organizations	756,334	(965,345)
Redemption of debt securities issued	-	-
Dividends paid to shareholders	-	-
<b>Net cash flow from financing activities</b>	<b>756,334</b>	<b>(965,345)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(3,896,535)</b>	<b>(7,285,282)</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	(26,839)	414,375
<b>Cash and cash equivalents at the end of the year</b>	<b>17,180,152</b>	<b>29,028,731</b>

Approval date 14.07.14



Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan