

INTERIM STATEMENT

Other comprehensive income

"30"September 2014

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

(name and address of the bank)

(thous. drams)

Item	Notes	01.07.14- 30.09.14	01.01.14- 30.09.14	01.07.13- 30.09.13	01.01.13- 30.09.13
Other comprehensive income					
Exchange differences from recalculation of foreign transactions		-			
Net unrealized losses from changes in fair value of available-for sale instruments		83,547	(67,364)	7,896	121,824
Hedging of cash flows		-			
Gain/loss from revaluation of fixed assets					
Profit tax in other comprehensive income		(16,709)	13,473		
Other comprehensive income after tax		66,838	(53,891)	7,896	121,824
Comprehensive profit/ loss		825,005	1,607,452	29,648	673,056
Including					
Owner's share					
Other share					

Approval date 14.10.14

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan

INTERIM STATEMENT
on comprehensive financial results

«30» September 2014

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

(name and address of the bank)

(thous. drams)

Item	Note	01.07.14- 30.09.14	01.01.14- 30.09.14	01.07.13- 30.09.13	01.01.13- 30.09.13
Interest and similar income	6	3,178,720	9,256,936	2,836,932	7,970,391
Interest and similar expenses	6	(1,614,673)	(4,697,693)	(1,543,507)	(4,182,661)
Net interest income		1,564,047	4,559,243	1,293,425	3,787,730
Income from commissions and other fees	7	488,467	1,212,253	406,508	977,375
Expenses regarding commissions and other fees	7	(146,210)	(393,872)	(126,765)	(342,463)
Net commissions revealed		342,257	818,381	279,743	634,912
Income from dividends	9	669	1,976	550	1,656
Net trading income	8	221,939	606,266	118,180	335,592
Other operational income	9	113,145	309,167	96,630	441,181
Operational income		2,242,057	6,295,033	1,788,528	5,201,071
Impairment charge for credit losses	10	90,436	92,853	(268,132)	65,834
Total administrative expenses	11,20,21	(1,310,544)	(4,111,104)	(1,440,974)	(4,436,369)
Other operational expenses	12	(49,940)	(146,855)	(49,560)	(130,220)
Net loss/gain from investments in units under control					
Profit/ (loss) before tax		972,009	2,129,927	29,862	700,316
Profit tax	13	(213,842)	(468,584)	(8,110)	(149,084)
Net profit/ (loss)		758,167	1,661,343	21,752	551,232
Including					
Owner's share					
Other share					

Approval date 14.10.14

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan

INTERIM FINANCIAL STATEMENT

"30" September 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/
1	Assets			
1.1	Cash and balances with CBA	14	25,304,619	21,103,526
1.2	Trading securities	15	21,485	268,904
1.3	Amounts due from other financial institutions	16	6,917,181	2,883,839
1.4	Derivative instruments	17		
1.5	Loans and advances to customers	18	80,819,015	79,957,304
1.6	Investments available for sale	19	7,803,162	7,594,409
1.7	Securities pledged under repurchase agreements	28		
1.8	Property, plant and equipment	20	7,238,801	7,313,542
1.9	Intangible assets	21	181,983	191,883
1.10	Assets held for sale	22	2,733,358	1,012,014
1.11	Deferred tax assets	13		
1.12	Prepaid income taxes			46,763
1.13	Other assets	23	1,017,366	998,479
	Total assets		132,036,970	121,370,663
2	LIABILITIES AND EQUITY			
	Liabilities			
2.1	Amounts due to RA CB	24	4,861,569	4,043,242
2.2	Amounts due to financial institutions	25	11,694,783	11,951,850
2.3	Amounts due to customers	26	90,541,018	84,422,004
2.4	Derivative financial liabilities	17		
2.5	Income tax liability		75,241	
2.6	Deferred tax liabilities	13	1,723,450	1,533,878
2.7	Other liabilities	27	744,547	486,759
	Total liabilities		109,640,608	102,437,733
3	Equity			
3.1	Share capital	31	7,002,033	4,860,033
3.2	Share premium		63,233	63,233
3.3	Statutory general reserve		844,898	780,365
3.3.1	Other reserves		765,182	819,073
3.3.2	Buildings		3,983,236	4,054,481
3.4	Retained earnings		9,737,780	8,355,745
	Total capital		22,396,362	18,932,930
	Total liabilities and capital		132,036,970	121,370,663

Approval date 14.10.14

Chief Executive Officer
(Executive director)

_____ T. Davtyan

Chief Accountant

_____ G. Harutyunyan

INTERIM STATEMENT

of changes in equity

"30" September 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						551,232	551,232
Investments in share capital							0
Transfers to reserves			64,860			(64,860)	0
Dividends to shareholders						(287,922)	(287,922)
Other comprehensive income							0
Adjustment to revaluation reserve on depreciation of PPE					(241,005)	241,005	0
Reassessment of fixed assets							0
Net unrealized gains from changes in fair value				35,254			35,254
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				86,570			86,570
Income tax relating to components of other comprehensive income							0
Total other comprehensive income	0	0	0	121,824	(241,005)	241,005	121,824
							0
Balance as of 30 September, 2013	4,860,033	63,233	780,365	307,497	2,733,453	8,420,113	17,164,694
Balance as of 01 January, 2014/audited/	4,860,033	63,233	780,365	819,073	4,054,481	8,355,745	18,932,930
Profit for the year						1,661,343	1,661,343
Investments in share capital	2,142,000						2,142,000
Transfers to reserves			64,533			(64,533)	0
Dividends to shareholders						(286,020)	(286,020)
Other comprehensive income							0
Adjustment to revaluation reserve on depreciation of PPE					(71,245)	71,245	0
Reassessment of fixed assets							0
Net unrealized gains from changes in fair value				(12,880)			(12,880)
Net losses realized to comprehensive income				(54,484)			(54,484)
Income tax relating to components of other				13,473			13,473
Total other comprehensive income	0	0	0	(53,891)	(71,245)	71,245	(53,891)
Balance as of 30 September, 2014	7,002,033	63,233	844,898	765,182	3,983,236	9,737,780	22,396,362

Approval date 14.10.14

Chief Executive Officer
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan

INTERIM STATEMENT

on cash flow of bank

"30" September 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/
I. Net cash flow from operational activities	x	x
Interests received	9,112,234	7,431,973
Interests paid	(4,678,730)	(3,796,644)
Fees and Commissions received	1,394,819	1,127,256
Fees and Commissions paid	(393,872)	(342,463)
Gains less losses from trading securities	(3,127)	623
Realised gains from dealing in foreign currencies	637,459	563,477
Recovery of previously written off loans	865,869	799,489
Other income received	458,326	546,170
Salaries and benefits paid	(1,953,604)	(1,952,145)
Other operating expenses paid	(1,450,128)	(1,641,342)
Cash flows from operating activities before changes in operating assets and liabilities		
Net (increase)/decrease in operating assets	(5,467,834)	(12,444,477)
Deposited funds with the CBA	350,000	250,000
Precious metals	(102,583)	(20,901)
Trading securities	246,659	1,756
Derivative transactions	-	2,135
Amounts due from other financial institutions	(3,864,028)	25,090
Loans and advances to customers	(651,138)	(13,147,319)
Other assets	(1,446,744)	444,762
Increase/(decrease) in operating liabilities	4,061,751	757,144
Amounts due to financial institutions	861,440	629,043
Amounts due to customers	4,592,283	831,136
Trading liabilities	-	-
Other liabilities	(1,391,972)	(703,035)
Net cash flow from operating activities before income tax	2,583,163	(8,950,939)
Income tax paid	(141,600)	(142,232)
Net cash from operating activities	2,441,563	(9,093,171)
2. Net cash flow from investing activities	x	x
Purchase of investment securities	(258,028)	(626,824)
Dividends received	1,959	1,656
Purchase of property, equipment and intangible assets	(220,549)	(759,810)
Proceeds from sale of property, equipment and intangible assets	4,487	29,378
Net cash used in investing activities	(472,131)	(1,355,600)
Net cash flow from financing activities		
Issue of share capital	2,142,000	-
Loans received from financial organizations	839,682	(936,721)
Redemption of debt securities issued	-	-
Dividends paid to shareholders	(286,020)	(287,922)
Net cash flow from financing activities	2,695,662	(1,224,643)
Net increase in cash and cash equivalents	4,665,094	(11,673,414)
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	(464,001)	462,414
Cash and cash equivalents at the end of the year	25,304,619	24,688,638

Approval date 14.10.14

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan