

INTERIM CONSOLIDATED STATEMENT
on comprehensive financial results

«30» June 2015

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

(name and address of the bank)

(thous. drams)

Item	Note	01.04.15- 30.06.15	01.01.15- 30.06.15	01.04.14- 30.06.14	01.01.14- 30.06.14
Interest and similar income	6	3,378,994	6,753,786	3,123,616	6,078,216
Interest and similar expenses	6	(1,758,303)	(3,525,489)	(1,553,049)	(3,077,258)
Net interest income		1,620,691	3,228,297	1,570,567	3,000,958
Income from commissions and other fees	7	466,622	854,898	383,305	723,802
Expenses regarding commissions and other fees	7	(149,289)	(291,316)	(118,217)	(247,662)
Net commissions received		317,333	563,582	265,088	476,140
Income from dividends	9	1,231	2,141	653	1,307
Net trading income	8	269,885	126,104	148,258	384,327
Other operational income	9	218,050	480,176	133,526	231,044
Operational income		2,427,189	4,400,300	2,118,092	4,093,776
Impairment charge for credit losses	10	(596,382)	(430,724)	232,692	2,417
Total administrative expenses	11,20,21	(1,448,154)	(2,894,522)	(1,408,473)	(2,855,764)
Other operational expenses	12	(60,490)	(107,394)	(49,090)	(96,915)
Net loss/gain from investments in units under control					
Profit/ (loss) before tax		322,163	967,659	893,221	1,143,514
Profit tax	13	(69,197)	(211,184)	(197,926)	(254,742)
Net profit/ (loss)		252,966	756,475	695,295	888,772
Including					
Owner's share					
Other share					

Approval date 14.07.15

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan



INTERIM CONSOLIDATED STATEMENT

Other comprehensive income

«30» June 2015

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

(name and address of the bank)

(thous. drams)

Item	Notes	01.04.15- 30.06.15	01.01.15- 30.06.15	01.04.14- 30.06.14	01.01.14- 30.06.14
Other comprehensive income					
Exchange differences from recalculation of foreign transactions					
Net unrealized losses from changes in fair value of available-for sale instruments		(31,878)	(110,306)	369	(150,911)
Hedging of cash flows					
Gain/loss from revaluation of fixed assets					
Profit tax in other comprehensive income		6,375	22,061	(74)	30,182
Other comprehensive income after tax		(25,503)	(88,245)	295	(120,729)
Comprehensive profit/ loss		227,463	668,230	695,590	768,043
Including					
Owner's share					
Other share					

Approval date 14.07.15

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan

INTERIM CONSOLIDATED FINANCIAL STATEMENT

«30» June 2015

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

(name and address of the bank)

(thous. drams)

	Item	Notes	Current period	Previous period /audited/
1	Assets			
1.1	Cash and balances with CBA	14	34,085,749	27,841,421
1.2	Trading securities	15	101,488	-
1.3	Amounts due from other financial institutions	16	6,211,744	7,412,250
1.4	Derivative instruments	17	-	-
1.5	Loans and advances to customers	18	88,815,726	92,888,015
1.6	Investments available for sale	19	1,572,938	1,943,118
1.7	Securities pledged under repurchase agreements	28	6,047,397	6,707,452
1.8	Property, plant and equipment	20	7,325,182	7,297,407
1.9	Intangible assets	21	237,178	253,290
1.10	Assets held for sale	22	2,579,751	2,329,501
1.11	Deferred tax assets	13	-	-
1.12	Prepaid income taxes		98,793	-
1.13	Other assets	23	853,170	961,455
	Total assets		147,929,116	147,633,910
2	LIABILITIES AND EQUITY			
	Liabilities			
2.1	Subordinated Loans	24	7,812,462	8,272,556
2.2	Amounts due to financial institutions	25	19,184,391	21,466,662
2.3	Amounts due to customers	26	95,247,345	92,435,546
2.4	Derivative financial liabilities	17	9,744	180,645
2.5	Trading liabilities	28	332,014	786,549
2.6	Income tax liability		-	125,931
2.7	Deferred tax liabilities	13	1,548,010	1,358,887
2.8	Other liabilities	27	765,385	502,851
	Total liabilities		124,899,352	125,129,627
3	Equity			
3.1	Share capital	31	7,002,033	7,002,033
3.2	Share premium		63,233	63,233
3.3	Statutory general reserve		844,898	844,898
3.3.1	Other reserves		259,147	347,391
3.3.2	Buildings		3,930,993	3,978,488
3.4	Retained earnings		10,929,461	10,268,240
	Total capital		23,029,765	22,504,283
	Total liabilities and capital		147,929,116	147,633,910

Approval date 14.07.15

Chief Executive Officer
(Executive director)

_____ T. Davtyan

Chief Accountant

_____ G. Harutyunyan

INTERIM CONSOLIDATED STATEMENT
of changes in equity

"30" June 2015

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, 2014 /audited/	4,860,033	63,233	780,365	819,073	4,054,481	8,480,299	19,057,483
Profit for the year						888,772	888,772
Investments in share capital							0
Transfers to reserves							0
Dividends to shareholders							0
Other comprehensive income							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				(141,055)			(141,055)
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				(9,856)			(9,856)
Income tax relating to components of other comprehensive income				30,182			30,182
Total other comprehensive income	0	0	0	(120,729)	(47,498)	47,498	(120,729)
							0
Balance as of 30 June, 2014	4,860,033	63,233	780,365	698,344	4,006,983	9,416,568	19,825,527
Balance as of 01 January, 2015/audited/	7,002,033	63,233	844,898	347,391	3,978,488	10,268,240	22,504,283
Profit for the year						756,475	756,475
Investments in share capital							0
Transfers to reserves							0
Dividends to shareholders						(142,749)	(142,749)
Other comprehensive income							0
Adjustment to revaluation reserve on depreciation of PPE					(47,495)	47,495	0
Reassessment of fixed assets							0
Net unrealized gains from changes in fair value				(70,229)			(70,229)
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				(40,077)			(40,077)
Income tax relating to components of other comprehensive income				22,061			22,061
Total other comprehensive income	0	0	0	(88,245)	(47,495)	47,495	(88,245)
Balance as of 30 June, 2015	7,002,033	63,233	844,898	259,147	3,930,993	10,929,461	23,029,765

Approval date 14.07.15

Chief Executive Officer
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan

Item	From beginning of current year till reporting date	From beginning of previous year till reporting date
<i>1. Net cash flow from operational activities</i>	x	x
Interests received	6,481,235	5,986,611
Interests paid	(3,447,561)	(2,771,153)
Fees and Commissions received	978,528	841,810
Fees and Commissions paid	(291,315)	(247,662)
Gains less losses from trading securities	736	96
Realised gains from dealing in foreign currencies	528,831	402,824
Recovery of previously written off loans	293,211	376,855
Other income received	444,821	278,182
Salaries and benefits paid	(1,299,543)	(1,264,195)
Other operating expenses paid	(1,018,043)	(939,242)
Cash flows from operating activities before changes in operating assets and liabilities		
Net (increase)/decrease in operating assets	2,882,094	(9,392,575)
Deposited funds with the CBA	350,000	350,000
Precious metals	135,728	(110,262)
Trading securities	(101,488)	61,809
Derivative transactions	(14,016)	-
Amounts due from other financial institutions	145,361	(8,534,697)
Loans and advances to customers	3,042,404	1,559,673
Other assets	(675,895)	(2,719,098)
Increase/(decrease) in operating liabilities	1,484,035	2,519,389
Amounts due to financial institutions	(123,009)	1,071,332
Amounts due to customers	2,627,555	1,789,306
Trading liabilities	(1,041,966)	-
Other liabilities	21,455	(341,249)
Net cash flow from operating activities before income tax	7,037,029	(4,209,060)
Income tax paid	(134,000)	(100,500)
Net cash from operating activities	6,903,029	(4,309,560)
<i>2. Net cash flow from investing activities</i>	x	x
Purchase of investment securities	997,687	(214,802)
Dividends received	1,815	1,307
Purchase of property, equipment and intangible assets	(159,087)	(134,301)
Proceeds from sale of property, equipment and intangible assets	-	4,487
Net cash used in investing activities	840,415	(343,309)
Net cash flow from financing activities		
Issue of share capital	-	-
Loans received from financial organizations	(1,061,102)	756,334
Redemption of debt securities issued	-	-
Dividends paid to shareholders	(142,749)	-
Net cash flow from financing activities	(1,203,851)	756,334
Net increase in cash and cash equivalents	6,539,593	(3,896,535)
Cash and cash equivalents at the beginning of the year	27,841,421	21,103,554
Effect of exchange rate changes on cash and cash equivalents	(295,265)	(26,839)
Cash and cash equivalents at the end of the year	34,085,749	17,180,152

Approval date 14.07.15

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan