

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

«30» September 2015

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

(name and address of the bank)

(thous. drams)

Item	Note	01.07.15- 30.09.15	01.01.15- 30.09.15	01.07.14- 30.09.14	01.01.14- 30.09.14
Interest and similar income	6	3,377,848	10,131,634	3,178,720	9,256,936
Interest and similar expenses	6	(1,719,791)	(5,245,280)	(1,611,573)	(4,688,831)
<b>Net interest income</b>		<b>1,658,057</b>	<b>4,886,354</b>	<b>1,567,147</b>	<b>4,568,105</b>
Income from commissions and other fees	7	544,412	1,399,310	488,467	1,212,269
Expenses regarding commissions and other fees	7	(186,319)	(477,635)	(146,210)	(393,872)
<b>Net commissions received</b>		<b>358,093</b>	<b>921,675</b>	<b>342,257</b>	<b>818,397</b>
Income from dividends	9	917	3,058	669	1,976
Net trading income	8	246,598	372,702	221,939	606,266
Other operational income	9	185,081	665,257	134,613	365,657
<b>Operational income</b>		<b>2,448,746</b>	<b>6,849,046</b>	<b>2,266,625</b>	<b>6,360,401</b>
Impairment charge for credit losses	10	(1,123,389)	(1,554,113)	90,436	92,853
Total administrative expenses	11,20,21	(1,405,761)	(4,300,283)	(1,334,480)	(4,190,244)
Other operational expenses	12	(52,018)	(159,412)	(49,940)	(146,855)
Net loss/gain from investments in units under control		-	-	-	-
<b>Profit/ (loss) before tax</b>		<b>(132,421)</b>	<b>835,239</b>	<b>972,641</b>	<b>2,116,155</b>
Profit tax	13	30,181	(181,004)	(213,842)	(468,584)
<b>Net profit/ (loss)</b>		<b>(102,240)</b>	<b>654,235</b>	<b>758,799</b>	<b>1,647,571</b>
Including					
Owner's share					
Other share					

Approval date 14.10.15

Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan

INTERIM CONSOLIDATED STATEMENT

*Other comprehensive income*

«30» September 2015

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

(name and address of the bank)

(thous. drams)

Item	Notes	01.07.15- 30.09.15	01.01.15- 30.09.15	01.07.14- 30.09.14	01.01.14- 30.09.14
Other comprehensive income					
Exchange differences from recalculation of foreign transactions					
Net unrealized losses from changes in fair value of available-for sale instruments		36,604	(73,702)	83,547	(67,364)
Hedging of cash flows		-		-	
Gain/loss from revaluation of fixed assets		-		-	
Profit tax in other comprehensive income		(7,321)	14,740	(16,709)	13,473
Other comprehensive income after tax		29,283	(58,962)	66,838	(53,891)
Comprehensive profit/ loss		(72,957)	595,273	825,637	1,593,680
Including					
Owner's share					
Other share					

Approval date 14.10.15

Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan



# INTERIM CONSOLIDATED FINANCIAL STATEMENT

«30» September 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/
<b>1</b>	<b>Assets</b>			
1.1	Cash and balances with CBA	14	34,305,534	27,841,421
1.2	Trading securities	15	-	-
1.3	Amounts due from other financial institutions	16	8,233,971	7,412,250
1.4	Derivative instruments	17	-	-
1.5	Loans and advances to customers	18	87,944,476	92,888,015
1.6	Investments available for sale	19	2,662,412	1,943,118
1.7	Securities pledged under repurchase agreements	28	7,376,110	6,707,452
1.8	Property, plant and equipment	20	7,226,159	7,297,407
1.9	Intangible assets	21	217,361	253,290
1.10	Assets held for sale	22	2,279,909	2,329,501
1.11	Deferred tax assets	13	-	-
1.12	Prepaid income taxes		170,793	-
1.13	Other assets	23	1,150,649	961,455
	<b>Total assets</b>		<b>151,567,374</b>	<b>147,633,910</b>
<b>2</b>	<b>LIABILITIES AND EQUITY</b>			
	<b>Liabilities</b>			
2.1	Subordinated Loans	24	7,356,014	8,272,556
2.2	Amounts due to financial institutions	25	19,398,963	21,466,662
2.3	Amounts due to customers	26	99,720,753	92,435,546
2.4	Derivative financial liabilities	17	3,698	180,645
2.5	Trading liabilities	28	-	786,549
2.6	Income tax liability		-	125,931
2.7	Deferred tax liabilities	13	1,525,152	1,358,887
2.8	Other liabilities	27	734,075	502,851
	<b>Total liabilities</b>		<b>128,738,654</b>	<b>125,129,627</b>
<b>3</b>	<b>Equity</b>			
3.1	Share capital	31	7,002,033	7,002,033
3.2	Share premium		63,233	63,233
3.3	Statutory general reserve		1,005,996	844,898
3.3.1	Other reserves		288,429	347,391
3.3.2	Buildings		3,907,246	3,978,488
3.4	Retained earnings		10,561,784	10,268,240
	<b>Total capital</b>		<b>22,828,720</b>	<b>22,504,283</b>
	<b>Total liabilities and capital</b>		<b>151,567,374</b>	<b>147,633,910</b>

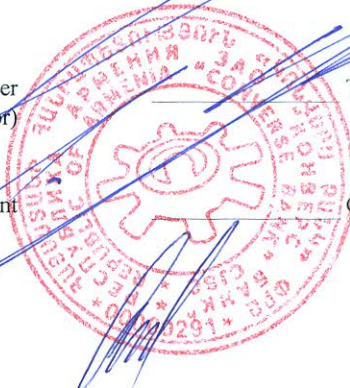
Approval date 14.10.15

Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan





INTERIM CONSOLIDATED STATEMENT  
of changes in equity

"30" September 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						1,647,571	1,647,571
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				(54,484)			(54,484)
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				(12,880)			(12,880)
Income tax relating to components of other comprehensive income				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	9,848,562	22,507,143
Balance as of 01 January, 2015/audited/	7,002,033	63,233	844,898	347,391	3,978,488	10,268,240	22,504,282
Profit for the year						654,235	654,235
Investments in share capital							0
Transfers to reserves			161,098			(161,098)	0
Dividends to shareholders						(270,835)	(270,835)
Other comprehensive income							0
Adjustment to revaluation reserve on depreciation of PPE					(71,242)	71,242	0
Reassessment of fixed assets							0
Net unrealized gains from changes in fair value				(33,625)			(33,625)
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				14,740			14,740
Total other comprehensive income	0	0	0	(58,962)	(71,242)	71,242	(58,962)
Balance as of 30 September, 2015	7,002,033	63,233	1,005,996	288,429	3,907,246	10,561,784	22,828,720

Approval date 14.10.15

Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan



"30" September 2015

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
<b>1. Net cash flow from operational activities</b>	<b>x</b>	<b>x</b>
Interests received	9,423,217	9,112,234
Interests paid	(5,262,431)	(4,678,730)
Fees and Commissions received	1,598,909	1,394,819
Fees and Commissions paid	(477,634)	(393,872)
Gains less losses from trading securities	859	(3,127)
Realised gains from dealing in foreign currencies	792,975	637,459
Recovery of previously written off loans	372,562	865,869
Other income received	567,658	458,326
Salaries and benefits paid	(1,959,967)	(1,953,604)
Other operating expenses paid	(1,635,216)	(1,450,128)
Cash flows from operating activities before changes in operating assets and liabilities		
Net (increase)/decrease in operating assets	1,216,784	(5,467,862)
Deposited funds with the CBA	350,000	350,000
Precious metals	(187,735)	(102,583)
Trading securities	-	246,659
Derivative transactions	(22,936)	-
Amounts due from other financial institutions	(2,008,376)	(3,864,028)
Loans and advances to customers	3,368,640	(651,138)
Other assets	(282,809)	(1,446,772)
Increase/(decrease) in operating liabilities	6,884,868	4,061,751
Amounts due to financial institutions	766,690	861,440
Amounts due to customers	6,194,653	4,592,283
Trading liabilities	(38,982)	-
Other liabilities	(37,493)	(1,391,972)
Net cash flow from operating activities before income tax	11,522,584	2,583,135
Income tax paid	(206,000)	(141,600)
Net cash from operating activities	11,316,584	2,441,535
<b>2. Net cash flow from investing activities</b>	<b>x</b>	<b>x</b>
Purchase of investment securities	(1,324,340)	(258,028)
Dividends received	2,733	1,959
Purchase of property, equipment and intangible assets	(214,368)	(220,549)
Proceeds from sale of property, equipment and intangible assets	-	4,487
Net cash used in investing activities	(1,535,975)	(472,131)
Net cash flow from financing activities		
Issue of share capital	-	2,142,000
Loans received from financial organizations	(2,610,659)	839,682
Redemption of debt securities issued	-	-
Dividends paid to shareholders	(270,835)	(286,020)
Net cash flow from financing activities	(2,881,494)	2,695,662
Net increase in cash and cash equivalents	6,899,115	4,665,066
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	(435,002)	(464,001)
Cash and cash equivalents at the end of the year	34,305,534	25,304,619

Approval date 14.10.15

 Chief Executive Officer  
(Executive director)

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Chief Accountant

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