

INTERIM CONSOLIDATED FINANCIAL STATEMENT

«31» December 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	46,029,188	27,841,421
1.2	Trading securities	15	207,592	-
1.3	Amounts due from other financial institutions	16	9,302,649	7,412,250
1.4	Derivative instruments	17	-	-
1.5	Loans and advances to customers	18	83,998,085	92,888,015
1.6	Investments available for sale	19	4,828,885	1,943,118
1.7	Securities pledged under repurchase agreements	28	5,484,221	6,707,452
1.8	Property, plant and equipment	20	7,321,034	7,297,407
1.9	Intangible assets	21	187,008	253,290
1.10	Assets held for sale	22	2,350,780	2,329,501
1.11	Deferred tax assets	13	-	-
1.12	Prepaid income taxes		237,793	-
1.13	Other assets	23	1,046,677	961,455
	Total assets		160,993,913	147,633,910
2	LIABILITIES AND EQUITY			
	Liabilities			
2.1	Amounts due to financial institutions	24	19,828,633	21,466,662
2.2	Derivative financial liabilities	17	14,495	180,645
2.3	Trading liabilities	25	-	786,549
2.4	Amounts due to customers	26	108,927,994	92,435,546
2.5	Income tax liability		-	125,931
2.6	Deferred tax liabilities	13	1,515,701	1,358,887
2.7	Other liabilities	27	562,355	502,851
2.8	Subordinated Loans	28	7,430,709	8,272,556
	Total liabilities		138,279,886	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		1,005,996	844,898
3.3.1	Other reserves		345,239	347,391
3.3.2	Buildings		3,929,664	3,978,488
3.4	Retained earnings		10,367,861	10,268,240
	Total capital		22,714,026	22,504,283
	Total liabilities and capital		160,993,913	147,633,910

Approval date 14.01.16

Chief Executive Officer
(Executive director)

_____ T. Davtyan

Chief Accountant

_____ G. Harutyunyan

INTERIM CONSOLIDATED STATEMENT
on comprehensive financial results

«31» December 2015

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

(name and address of the bank)

(thous. drams)

Item	Note	01.10.15- 31.12.15	01.01.15- 31.12.15	01.10.14- 31.12.14	01.01.14- 31.12.14 /audited/
Interest and similar income	6	3,326,367	13,458,001	3,348,212	12,605,148
Interest and similar expenses	6	(1,716,446)	(6,961,726)	(1,586,127)	(6,274,958)
Net interest income		1,609,921	6,496,275	1,762,085	6,330,190
Income from commissions and other fees	7	488,366	1,887,676	463,886	1,676,155
Expenses regarding commissions and other fees	7	(178,675)	(656,310)	(142,577)	(536,449)
Net commissions received		309,691	1,231,366	321,309	1,139,706
Income from dividends	9	1,075	4,133	834	2,810
Net trading income	8	323,580	696,282	1,271,039	1,877,305
Other operational income	9	234,818	900,075	230,332	595,989
Operational income		2,479,085	9,328,131	3,585,599	9,946,000
Impairment charge for credit losses	10	(629,554)	(2,183,667)	(1,790,442)	(1,697,589)
Total administrative expenses	11,20,21	(1,689,232)	(5,989,515)	(1,464,334)	(5,654,578)
Other operational expenses	12	(64,529)	(223,940)	(78,783)	(225,638)
Net loss/gain from investments in units under control		-	-	-	-
Profit/ (loss) before tax		95,771	931,009	252,040	2,368,195
Profit tax	13	(22,031)	(203,034)	162,890	(305,694)
Net profit/ (loss)		73,740	727,975	414,930	2,062,501
Including					
Owner's share					
Other share					

Approval date 14.01.16

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan

INTERIM CONSOLIDATED STATEMENT
Other comprehensive income
 «31» December 2015
Converse Bank CSJC ,V. Sargsyan 26/1 st., Yerevan
 (name and address of the bank)

(thous. drams)

Item	Notes	01.10.15- 31.12.15	01.01.15- 31.12.15	01.10.14- 31.12.14	01.01.14- 31.12.14 /audited/
Other comprehensive income					
Exchange differences from recalculation of foreign transactions					
Net unrealized losses from changes in fair value of available-for sale instruments		71,013	(2,689)	(522,238)	(589,602)
Hedging of cash flows		-		-	
Gain/loss from revaluation of fixed assets		-		-	
Profit tax in other comprehensive income		31,964	46,704	104,447	117,920
Other comprehensive income after tax		102,977	44,015	(417,791)	(471,682)
Comprehensive profit/ loss		176,717	771,990	(2,861)	1,590,819
Including					
Owner's share					
Other share					

Approval date 14.01.16

Chief Executive Officer _____ T. Davtyan
 (Executive director)

Chief Accountant _____ G. Harutyunyan

INTERIM CONSOLIDATED STATEMENT
of changes in equity

"31" December 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						2,062,501	2,062,501
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					(75,993)	75,993	0
Reassessment of fixed assets							0
Net unrealized gains from changes in fair value				(574,325)			(574,325)
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				(15,277)			(15,277)
Income tax relating to components of other comprehensive income				117,920			117,920
Total other comprehensive income	0	0	0	(471,682)	(75,993)	75,993	(471,682)
							0
Balance as of 31December, 2014/audited/	7,002,033	63,233	844,898	347,391	3,978,488	10,268,240	22,504,282
Balance as of 01January, 2015/audited/	7,002,033	63,233	844,898	347,391	3,978,488	10,268,240	22,504,282
Profit for the year						727,975	727,975
Investments in share capital							0
Transfers to reserves			161,098			(161,098)	0
Dividends to shareholders						(562,246)	(562,246)
Other comprehensive income							0
Adjustment to revaluation reserve on depreciation of PPE					(94,990)	94,990	0
Reassessment of fixed assets							0
Net unrealized gains from changes in fair value				38,208			38,208
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				(40,897)			(40,897)
Income tax relating to components of other comprehensive				538	46,166		46,704
Total other comprehensive income	0	0	0	(2,151)	(48,824)	94,990	44,015
Balance as of 31December, 2015	7,002,033	63,233	1,005,996	345,239	3,929,664	10,367,861	22,714,026

Approval date 14.01.16

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	13,120,061	12,124,965
Interests paid	(7,109,396)	(6,090,661)
Fees and Commissions received	2,173,840	1,676,155
Fees and Commissions paid	(656,310)	(536,449)
Gains less losses from trading securities	1,141	(115,043)
Realised gains from dealing in foreign currencies	1,080,236	1,128,306
Recovery of previously written off loans	1,150,888	-
Other income received	746,407	536,889
Salaries and benefits paid	(3,008,119)	(2,977,136)
Other operating expenses paid	(2,269,406)	(2,127,008)
Cash flows from operating activities before changes in operating assets and liabilities		
Net (increase)/decrease in operating assets	3,830,876	(9,449,721)
Deposited funds with the CBA	(200,000)	-
Precious metals	(205,335)	(174,489)
Trading securities	(207,592)	278,153
Derivative transactions	5,829	-
Amounts due from other financial institutions	(2,228,559)	(3,862,376)
Loans and advances to customers	7,184,104	(5,871,449)
Other assets	(517,571)	180,440
Increase/(decrease) in operating liabilities	12,776,333	4,357,644
Amounts due to financial institutions	(2,446,906)	(8,151,870)
Amounts due to customers	17,174,185	5,291,054
Trading liabilities	(1,953,982)	7,253,980
Other liabilities	3,036	(35,520)
Net cash flow from operating activities before income tax	21,836,551	(1,472,059)
Income tax paid	(273,000)	(182,600)
Net cash from operating activities	21,563,551	(1,654,659)
<i>2. Net cash flow from investing activities</i>	x	x
Purchase of investment securities	(1,695,084)	(626,991)
Dividends received	3,808	-
Purchase of property, equipment and intangible assets	(433,315)	(763,621)
Proceeds from sale of property, equipment and intangible assets	-	2,631
Net cash used in investing activities	(2,124,591)	(1,387,981)
Net cash flow from financing activities		
Issue of share capital	-	2,142,000
Loans received from financial organizations	(210,199)	7,628,780
Redemption of debt securities issued	-	-
Dividends paid to shareholders	(562,246)	(286,020)
Net cash flow from financing activities	(772,445)	9,484,760
Net increase in cash and cash equivalents	18,666,515	6,442,120
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	(478,748)	295,747
Cash and cash equivalents at the end of the year	46,029,188	27,841,421

Approval date 14.01.16

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan