

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

«31» March 2013

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

(name and address of the bank)

Item	Note	01.01.13- 31.03.13	01.01.12- 31.03.12
Interest and similar income	6	2,462,549	1,882,364
Interest and similar expenses	6	(1,310,035)	(1,039,566)
<b>Net interest income</b>		<b>1,152,514</b>	<b>842,798</b>
Income from commissions and other fees	7	330,077	330,050
Expenses regarding commissions and other fees	7	(111,968)	(75,477)
<b>Net commissions received</b>		<b>218,109</b>	<b>254,573</b>
Income from dividends	9	549	335
Net trading income	8	156,779	302,205
Other operational income	9	155,537	27,668
<b>Operational income</b>		<b>1,683,488</b>	<b>1,427,579</b>
Impairment charge for credit losses	10	452,878	(70,655)
Total administrative expenses	11,20,21	(1,460,285)	(1,238,942)
Other operational expenses	12	(36,108)	(32,344)
Net loss/gain from investments in units under control		-	-
<b>Profit/ (loss) before tax</b>		<b>639,973</b>	<b>85,638</b>
Profit tax	13	(131,550)	(15,377)
<b>Net profit/ (loss)</b>		<b>508,423</b>	<b>70,261</b>
Including			
Owner's share			
Other share			

Approval date 13.04.13

Chief Executive Officer \_\_\_\_\_ T. Davtyan  
(Executive director)

Chief Accountant \_\_\_\_\_ G. Harutyunyan

## INTERIM STATEMENT

### *Other comprehensive income*

"31" March 2013

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

(name and address of the bank)

Item	Notes	01.01.13-31.03.13	01.01.12-31.03.12
<b>Other comprehensive income</b>		<b>47,241</b>	<b>46,976</b>
Rate differences from recalculation of foreign transactions		-	-
Net loss realized to net profit on disposal of available-for-sale instruments		47,241	46,976
Hedging of cash flows		-	-
Gain/loss from revaluation of fixed assets		-	-
Profit tax in other comprehensive income		-	-
<b>Other comprehensive income after tax</b>		<b>47,241</b>	<b>46,976</b>
<b>Comprehensive profit/ loss</b>		<b>555,664</b>	<b>117,237</b>
<b>Including</b>			
Owner's share			
Other share			

Approval date 13.04.13

Chief Executive Officer \_\_\_\_\_ T. Davtyan  
(Executive director)

Chief Accountant \_\_\_\_\_ G. Harutyunyan

## INTERIM FINANCIAL STATEMENT

"31" March 2013

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

(name and address of the bank)

(thous. drams)

	Item	Notes	Current period	Previous year
<b>1</b>	<b>Assets</b>			
1.1	Cash and balances with CBA	14	29,242,110	23,582,048
1.2	Precious metals	15	158,412	118,037
1.3	Trading securities	16	160,739	168,448
1.4	Amounts due from other financial institutions	17	8,079,588	18,284,023
1.5	Derivative instruments	18	3,160	2,135
1.6	Loans and advances to customers	19	64,964,844	59,732,908
1.7	Investments available for sale	20	5,652,340	5,387,527
1.8	Securities pledged under repurchase agreements	30	-	-
1.9	Property, plant and equipment	21	5,039,413	4,811,309
1.9.1	Intangible assets	22	174,661	178,364
1.10	Assets held for sale	23	1,293,910	2,758,321
1.11	Deferred tax assets	13	-	-
1.12	Prepaid income taxes		81,750	56,750
1.13	Other assets	23	2,371,387	754,490
	<b>Total assets</b>		<b>117,222,314</b>	<b>115,834,360</b>
<b>2</b>	<b>LIABILITIES AND EQUITY</b>			
	<b>Liabilities</b>			
2.1	Amounts due to RA CB	25	4,603,223	4,492,089
2.2	Amounts due to financial institutions	26	10,962,709	10,070,868
2.3	Amounts due to customers	27	83,385,237	83,833,092
2.4	Derivative financial liabilities	18	-	-
2.5	Debt securities issued		-	-
2.6	Deferred tax liabilities	13	339,069	207,519
2.7	Other liabilities	28	588,374	441,519
2.8	Other provisions	29	8,479	9,713
	<b>Total liabilities</b>		<b>99,887,090</b>	<b>99,054,800</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		715,505	715,505
3.3.1	Other reserves		232,914	185,673
3.3.2	Buildings		2,894,123	2,974,458
3.4	Retained earnings		8,569,416	7,980,658
	<b>Total capital</b>		<b>17,335,224</b>	<b>16,779,560</b>
	<b>Total liabilities and capital</b>		<b>117,222,314</b>	<b>115,834,360</b>

Chief Executive Officer  
(Executive director)

\_\_\_\_\_ T. Davtyan

Chief Accountant

\_\_\_\_\_ G. Harutyunyan

"31" March 2013

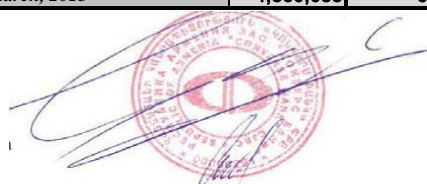
Converse Bank CSJC .V. Sargsyan 26/1 st., Yerevan

(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
<b>Balance as of 01 January, 2011</b>	<b>4,860,033</b>	<b>63,233</b>	<b>715,505</b>	<b>(35,468)</b>	<b>3,295,797</b>	<b>7,578,452</b>	<b>16,477,552</b>
Profit for the year						70,261	70,261
Investments in share capital							0
Transfers to reserves							0
Dividends to shareholders							0
<b>Other comprehensive income</b>							<b>0</b>
Adjustment to revaluation reserve on depreciation of PPE					0	0	0
Reassessment of fixed assets					(80,335)	80,335	0
Net unrealized gains from changes in fair value				612			612
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				46,364			46,364
Income tax relating to components of other comprehensive income				0			0
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>46,976</b>	<b>(80,335)</b>	<b>80,335</b>	<b>46,976</b>
							0
<b>Balance as of 31 March, 2012</b>	<b>4,860,033</b>	<b>63,233</b>	<b>715,505</b>	<b>11,508</b>	<b>3,215,462</b>	<b>7,729,048</b>	<b>16,594,789</b>
<b>Balance as of 01 January, 2013</b>	<b>4,860,033</b>	<b>63,233</b>	<b>715,505</b>	<b>185,673</b>	<b>2,974,458</b>	<b>7,980,658</b>	<b>16,779,560</b>
Profit for the year						508,423	508,423
Investments in share capital							0
Transfers to reserves							0
Dividends to shareholders							0
<b>Other comprehensive income</b>							<b>0</b>
Adjustment to revaluation reserve on depreciation of PPE							0
Reassessment of fixed assets					(80,335)	80,335	0
Net unrealized gains from changes in fair value				30,537			30,537
Net losses realized to comprehensive income				16,704			16,704
Income tax relating to components of other comprehensive income							0
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47,241</b>	<b>(80,335)</b>	<b>80,335</b>	<b>47,241</b>
<b>Balance as of 31 March, 2013</b>	<b>4,860,033</b>	<b>63,233</b>	<b>715,505</b>	<b>232,914</b>	<b>2,894,123</b>	<b>8,569,416</b>	<b>17,335,224</b>



Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan

## INTERIM STATEMENT

on cash flow of bank

"31" March 2013

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>I. Net cash flow from operational activities</b>	<b>x</b>	<b>x</b>
Interests received	2,187,540	2,109,084
Interests paid	(1,235,383)	(865,899)
Fees and Commissions received	329,963	311,442
Fees and Commissions paid	(111,969)	(75,477)
Gains less losses from trading securities	-	657
Realised gains from dealing in foreign currencies	170,681	191,473
Recovery of previously written off loans	105,135	364,964
Other income received	212,890	653,458
Salaries and benefits paid	(684,614)	(605,370)
Other operating expenses paid	(491,662)	(834,330)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		
<b>Net (increase)/decrease in operating assets</b>	<b>(7,071,952)</b>	<b>127,912</b>
Deposited funds with the CBA	250,000	205,459
Precious metals	(40,375)	(32,303)
Trading securities	7,708	(349,637)
Derivative transactions	(1,025)	(892)
Amounts due from other financial institutions	(95,029)	(410,660)
Loans and advances to customers	(5,732,374)	(1,897,867)
Other assets	(1,460,857)	2,613,812
<b>Increase/(decrease) in operating liabilities</b>	<b>299,829</b>	<b>(51,920,049)</b>
Amounts due to financial institutions	453,633	5,733,683
Amounts due to customers	13,171	(58,665,918)
Trading liabilities	-	(541,741)
Other liabilities	(166,975)	1,553,927
<b>Net cash flow from operating activities before income tax</b>	<b>(6,289,542)</b>	<b>(50,542,135)</b>
Income tax paid	-	-
<b>Net cash from operating activities</b>	<b>(6,289,542)</b>	<b>(50,542,135)</b>
<b>2. Net cash flow from investing activities</b>	<b>x</b>	<b>x</b>
Purchase of investment securities	(264,812)	-
Dividends received	549	11
Purchase of property, equipment and intangible assets	(364,760)	(288,321)
Proceeds from sale of property, equipment and intangible assets	1,676,826	1,666
<b>Net cash used in investing activities</b>	<b>1,047,803</b>	<b>(286,644)</b>
<b>Net cash flow from financing activities</b>		
Issue of share capital	-	-
Loans received from financial organizations	29,310	283,821
Redemption of debt securities issued	-	-
Dividends paid to shareholders	-	-
<b>Net cash flow from financing activities</b>	<b>29,310</b>	<b>283,821</b>
<b>Net increase in cash and cash equivalents</b>	<b>(5,212,429)</b>	<b>(50,544,958)</b>
Cash and cash equivalents at the beginning of the year	35,899,638	72,401,755
Effect of exchange rate changes on cash and cash equivalents	719,363	817,741
<b>Cash and cash equivalents at the end of the year</b>	<b>31,406,572</b>	<b>22,674,538</b>

Chief Executive Officer \_\_\_\_\_ T. Davtyan  
(Executive director)

Chief Accountant \_\_\_\_\_ G. Harutyunyan