

INTERIM STATEMENT
on comprehensive financial results

«30» June 2013

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

(name and address of the bank)

(thous. drams)

Item	Note	01.04.13- 30.06.13	01.01.13- 30.06.13	01.04.12- 30.06.12	01.01.12- 30.06.12
Interest and similar income	6	2,572,133	5,034,682	1,934,222	3,816,586
Interest and similar expenses	6	(1,538,040)	(2,848,075)	(905,608)	(1,945,174)
Net interest income		1,034,093	2,186,607	1,028,614	1,871,412
Income from commissions and other fees	7	339,567	669,644	363,166	693,216
Expenses regarding commissions and other fees	7	(103,730)	(215,698)	(77,893)	(153,370)
Net commissions received		235,837	453,946	285,273	539,846
Income from dividends	9	557	1,106	1,212	1,547
Net trading income	8	60,633	217,412	456,301	758,506
Other operational income	9	397,935	553,472	99,680	127,348
Operational income		1,729,055	3,412,543	1,871,080	3,298,659
Impairment charge for credit losses	10	(118,912)	333,966	318,464	247,809
Total administrative expenses	11,20,21	(1,535,110)	(2,995,395)	(1,301,006)	(2,539,948)
Other operational expenses	12	(44,552)	(80,660)	3,182	(29,162)
Net loss/gain from investments in units under control					
Profit/ (loss) before tax		30,481	670,454	891,720	977,358
Profit tax	13	(9,424)	(140,974)	(187,095)	(202,472)
Net profit/ (loss)		21,057	529,480	704,625	774,886
Including					
Owner's share					
Other share					

Approval date 13.07.13

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan

INTERIM STATEMENT

Other comprehensive income

"30" June 2013

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

(name and address of the bank)

(thous. drams)

Item	Notes	01.04.13- 30.06.13	01.01.13- 30.06.13	01.04.12- 30.06.12	01.01.12- 30.06.12
Other comprehensive income		66,687	113,928	(13,275)	33,701
Exchange differences from recalculation of foreign transactions		-			-
Net loss realized to net profit on disposal of available-for-sale instruments		66,687	113,928	(13,275)	33,701
Hedging of cash flows		-			-
Gain/loss from revaluation of fixed assets		-			-
Profit tax in other comprehensive income		-			-
Other comprehensive income after tax		66,687	113,928	(13,275)	33,701
Comprehensive profit/ loss		87,744	643,408	691,350	808,587
Including					
Owner's share					
Other share					

Approval date 13.07.13

Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan

"30" June 2013

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	24,903,340	23,582,048
1.2	Precious metals	15	98,613	118,037
1.3	Trading securities	16	167,609	168,448
1.4	Amounts due from other financial institutions	17	11,996,156	18,284,023
1.5	Derivative instruments	18	-	2,135
1.6	Loans and advances to customers	19	71,047,163	59,732,908
1.7	Investments available for sale	20	5,596,304	5,387,527
1.8	Securities pledged under repurchase agreements	30	-	-
1.9	Property, plant and equipment	21	4,934,401	4,811,309
1.10	Intangible assets	22	168,852	178,364
1.11	Assets held for sale	23	2,058,876	2,758,321
1.12	Deferred tax assets	13	-	-
1.13	Prepaid income taxes		148,865	56,750
1.14	Other assets	23	592,581	754,490
	Total assets		121,712,760	115,834,360
2	LIABILITIES AND EQUITY			
	Liabilities			
2.1	Amounts due to RA CB	25	4,621,925	4,492,089
2.2	Amounts due to financial institutions	26	9,887,337	10,070,868
2.3	Amounts due to customers	27	88,719,544	83,833,092
2.4	Derivative financial liabilities	18	-	-
2.5	Debt securities issued		-	-
2.6	Deferred tax liabilities	13	348,493	207,519
2.7	Other liabilities	28	700,895	441,519
2.8	Other provisions	29	11,599	9,713
	Total liabilities		104,289,792	99,054,800
3	Equity			
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		299,601	185,673
3.3.2	Buildings		2,813,788	2,974,458
3.4	Retained earnings		8,670,808	7,980,658
	Total capital		17,422,968	16,779,560
	Total liabilities and capital		121,712,760	115,834,360

Approval date 13.07.13

Chief Executive Officer
(Executive director)

_____ T. Davtyan

Chief Accountant

_____ G. Harutyunyan

"30" June 2013

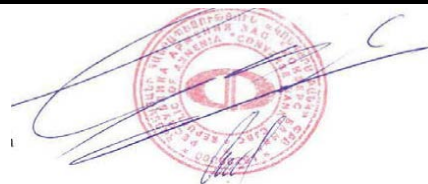
Converse Bank CSJC .V. Sargsyan 26/1 st., Yerevan
(name and address of the bank)

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
Balance as of 01 January, 2011/audited/	4,860,033	63,233	715,505	(35,468)	3,295,797	7,578,452	16,477,552
Adjustments to previous period error						(126,968)	(126,968)
Profit for the year						774,886	774,886
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							0
Reassessment of fixed assets					(160,670)	160,670	0
Net unrealized gains from changes in fair value				2,750			2,750
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				30,951			30,951
Income tax relating to components of other comprehensive income				0			0
Total other comprehensive income	0	0	0	33,701	(160,670)	160,670	33,701
							0
Balance as of 30 June, 2012	4,860,033	63,233	715,505	(1,767)	3,135,127	8,387,040	17,159,171
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						529,480	529,480
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							0
Reassessment of fixed assets					(160,670)	160,670	0
Net unrealized gains from changes in fair value				27,107			27,107
Net losses realized to comprehensive income				86,821			86,821
Income tax relating to components of other comprehensive income							0
Total other comprehensive income	0	0	0	113,928	(160,670)	160,670	113,928
Balance as of 30 June, 2013	4,860,033	63,233	715,505	299,601	2,813,788	8,670,808	17,422,968

Approval date 13.07.13



Chief Executive Officer
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan

INTERIM STATEMENT

on cash flow of bank

"30" June 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
I. Net cash flow from operational activities	x	x
Interests received	4,783,160	4,211,040
Interests paid	(2,465,943)	(1,927,231)
Fees and Commissions received	669,531	656,571
Fees and Commissions paid	(214,564)	(153,370)
Gains less losses from trading securities	20	936
Realised gains from dealing in foreign currencies	340,925	422,142
Recovery of previously written off loans	210,386	771,570
Other income received	588,405	2,517,927
Salaries and benefits paid	(1,231,727)	(1,238,777)
Other operating expenses paid	(1,123,582)	(1,708,273)
Cash flows from operating activities before changes in operating assets and liabilities		
Net (increase)/decrease in operating assets	(10,525,482)	(11,347,042)
Deposited funds with the CBA	250,000	200,191
Precious metals	19,299	(103,987)
Trading securities	838	(101,446)
Derivative transactions	2,135	3,295
Amounts due from other financial institutions	(2,048,324)	135,440
Loans and advances to customers	(9,623,299)	(11,786,339)
Other assets	873,869	305,804
Increase/(decrease) in operating liabilities	3,389,307	(43,510,887)
Amounts due to financial institutions	869,802	8,121,997
Amounts due to customers	2,552,648	(54,293,512)
Trading liabilities	-	2,173,205
Other liabilities	(33,143)	487,423
Net cash flow from operating activities before income tax	(5,579,564)	(51,305,394)
Income tax paid	-	(45,000)
Net cash from operating activities	(5,579,564)	(51,350,394)
2. Net cash flow from investing activities	x	x
Purchase of investment securities	(208,777)	-
Dividends received	1,106	30
Purchase of property, equipment and intangible assets	(560,771)	(535,420)
Proceeds from sale of property, equipment and intangible assets	28,069	177,123
Net cash used in investing activities	(740,373)	(358,267)
Net cash flow from financing activities		
Issue of share capital	-	-
Loans received from financial organizations	(965,345)	54,385
Redemption of debt securities issued	-	-
Dividends paid to shareholders	-	-
Net cash flow from financing activities	(965,345)	54,385
Net increase in cash and cash equivalents	(7,285,282)	(51,654,276)
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	414,375	1,621,922
Cash and cash equivalents at the end of the year	29,028,731	22,369,401

Approval date 13.07.13



Chief Executive Officer _____ T. Davtyan
(Executive director)

Chief Accountant _____ G. Harutyunyan