

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

«31» December 2013

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

(name and address of the bank)

*(thous. drams)*

Item	Note	01.10.13- 31.12.13	01.01.13- 31.12.13	01.10.12- 31.12.12	01.01.12-31.12.12 /audited/
Interest and similar income	6	2,862,171	10,682,679	2,199,444	8,198,163
Interest and similar expenses	6	(1,583,258)	(6,010,676)	(1,231,951)	(4,228,162)
<b>Net interest income</b>		<b>1,278,913</b>	<b>4,672,003</b>	<b>967,493</b>	<b>3,970,001</b>
Income from commissions and other fees	7	462,110	1,589,366	403,223	1,472,775
Expenses regarding commissions and other fees	7	(174,500)	(516,962)	(120,409)	(386,853)
<b>Net commissions received</b>		<b>287,610</b>	<b>1,072,404</b>	<b>282,814</b>	<b>1,085,922</b>
Income from dividends	9	661	2,317	544	2,454
Net trading income	8	336,899	672,490	(265,217)	792,920
Other operational income	9	298,389	984,329	125,049	328,073
<b>Operational income</b>		<b>2,202,472</b>	<b>7,403,543</b>	<b>1,110,683</b>	<b>6,179,370</b>
Impairment charge for credit losses	10	(316,817)	(250,983)	(172,105)	(297,229)
Total administrative expenses	11,20,21	(1,512,305)	(5,948,674)	(1,516,096)	(5,371,338)
Other operational expenses	12	(65,434)	(195,654)	(58,614)	(124,813)
Net loss/gain from investments in units under control					
<b>Profit/ (loss) before tax</b>		<b>307,916</b>	<b>1,008,232</b>	<b>(636,132)</b>	<b>385,990</b>
Profit tax	13	(72,727)	(221,811)	74,702	(61,690)
<b>Net profit/ (loss)</b>		<b>235,189</b>	<b>786,421</b>	<b>(561,430)</b>	<b>324,300</b>
Including					
Owner's share					
Other share					

Approval date 14.01.14

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



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

INTERIM STATEMENT

*Other comprehensive income*

"31"December 2013

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

(name and address of the bank)

(thous. drams)

Item	Notes	01.10.13- 31.12.13	01.01.13- 31.12.13	01.10.12- 31.12.12	01.01.12- 31.12.12 /audited/
<b>Other comprehensive income</b>					
Exchange differences from recalculation of foreign transactions		-			-
Net loss realized to net profit on disposal of available-for-sale instruments		659,740	781,564	231,156	276,426
Hedging of cash flows		-			-
Gain/loss from revaluation of fixed assets		2,414,982	2,414,982		-
Profit tax in other comprehensive income		(562,863)	(562,863)	(55,285)	(55,285)
<b>Other comprehensive income after tax</b>		<b>2,511,859</b>	<b>2,633,683</b>	<b>175,871</b>	<b>221,141</b>
<b>Comprehensive profit/ loss</b>		<b>2,747,048</b>	<b>3,420,104</b>	<b>(385,559)</b>	<b>545,441</b>
<b>Including</b>					
Owner's share					
Other share					

Approval date 14.01.14



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

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

"31" December 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/
<b>1</b>	<b>Assets</b>			
1.1	Cash and balances with CBA	14	17,080,372	23,582,048
1.2	Precious metals	15	52,462	118,037
1.3	Trading securities	16	268,904	168,448
1.4	Amounts due from other financial institutions	17	6,906,993	18,284,023
1.5	Derivative instruments	18	-	2,135
1.6	Loans and advances to customers	19	79,971,669	59,732,908
1.7	Investments available for sale	20	7,584,223	5,387,527
1.8	Securities pledged under repurchase agreements	30	-	-
1.9	Property, plant and equipment	21	7,313,542	4,811,309
1.10	Intangible assets	22	191,884	178,364
1.11	Assets held for sale	23	1,209,260	2,758,321
1.12	Deferred tax assets	13	-	-
1.13	Prepaid income taxes		98,689	56,750
1.14	Other assets	23	1,008,934	754,490
	<b>Total assets</b>		<b>121,686,932</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	4,029,632	4,492,089
2.2	Amounts due to financial institutions	26	11,008,284	10,070,868
2.3	Amounts due to customers	27	85,409,176	83,833,092
2.4	Derivative financial liabilities	18	-	-
2.5	Debt securities issued		-	-
2.6	Deferred tax liabilities	13	841,783	207,519
2.7	Other liabilities	28	467,923	441,519
2.8	Other provisions	29	18,392	9,713
	<b>Total liabilities</b>		<b>101,775,190</b>	<b>99,054,800</b>
<b>3</b>	<b>Equity</b>			
3.1	Share capital	31	<b>4,860,033</b>	<b>4,860,033</b>
3.2	Share premium		<b>63,233</b>	<b>63,233</b>
3.3	Statutory general reserve		<b>780,365</b>	<b>715,505</b>
3.3.1	Other reserves		793,955	185,673
3.3.2	Buildings		4,678,520	2,974,458
3.4	Retained earnings		<b>8,735,636</b>	<b>7,980,658</b>
	<b>Total capital</b>		<b>19,911,742</b>	<b>16,779,560</b>
	<b>Total liabilities and capital</b>		<b>121,686,932</b>	<b>115,834,360</b>

Approval date 14.01.14

Chief Executive Officer  
(Executive director)

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

Chief Accountant

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

INTERIM STATEMENT  
of changes in equity

"31" December 2013

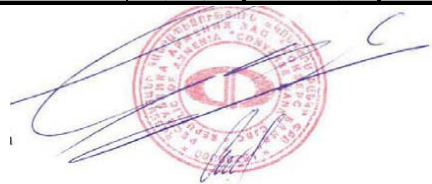
Converse Bank CSJC, V. Sargsyan 26/1 st., Yerevan  
(name and address of the bank)

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, 2012/audited/</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>
Adjustments to previous period error							0
Profit for the year						324,300	324,300
Investments in share capital							0
Transfers to reserves							0
Dividends to shareholders						(243,433)	(243,433)
<b>Other comprehensive income</b>							0
Adjustment to revaluation reserve on depreciation of PPE					(321,339)	321,339	0
Reassessment of fixed assets							0
Net unrealized gains from changes in fair value				282,527			282,527
Net losses realized to comprehensive income statement on disposal of available-for-sale instruments				(6,101)			(6,101)
Income tax relating to components of other comprehensive income				(55,285)			(55,285)
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>221,141</b>	<b>(321,339)</b>	<b>321,339</b>	<b>221,141</b>
							0
<b>Balance as of 31 December, 2012/audited/</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>
<b>Balance as of 01 January, 2013/audited/</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						786,421	786,421
Investments in share capital							0
Transfers to reserves			64,860			(64,860)	0
Dividends to shareholders						(287,922)	(287,922)
<b>Other comprehensive income</b>							0
Adjustment to revaluation reserve on depreciation of PPE					(321,339)	321,339	0
Reassessment of fixed assets					2,414,982		2,414,982
Net unrealized gains from changes in fair value				55,421			55,421
Net losses realized to comprehensive income				726,143			726,143
Income tax relating to components of other				(173,282)	(389,581)		(562,863)
<b>Total other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>608,282</b>	<b>1,704,062</b>	<b>321,339</b>	<b>2,633,683</b>
<b>Balance as of 31 December, 2013</b>	<b>4,860,033</b>	<b>63,233</b>	<b>780,365</b>	<b>793,955</b>	<b>4,678,520</b>	<b>8,735,636</b>	<b>19,911,742</b>

Approval date 14.01.14



Chief Executive Officer  
(Executive director)

T. Davtyan

Chief Accountant

G. Harutyunyan

INTERIM STATEMENT

on cash flow of bank

"31" December 2013

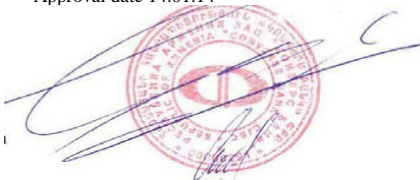
Converse Bank CSJC .V. Sargsyan 26/1 st., Yerevan

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(thous. drams)

Item	From beginning of current year till reporting date	From beginning of previous year till reporting date / audited/
<b>I. Net cash flow from operational activities</b>	<b>x</b>	<b>x</b>
Interests received	10,350,018	7,827,302
Interests paid	(5,072,495)	(4,488,048)
Fees and Commissions received	1,589,365	1,472,775
Fees and Commissions paid	(516,962)	(386,853)
Gains less losses from trading securities	766	4,066
Realised gains from dealing in foreign currencies	813,263	996,663
Recovery of previously written off loans	988,494	1,095,440
Other income received	901,125	333,420
Salaries and benefits paid	(2,918,474)	(2,632,630)
Other operating expenses paid	(2,261,679)	(1,934,235)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>		
<b>Net (increase)/decrease in operating assets</b>	<b>(14,916,068)</b>	<b>(13,595,001)</b>
Deposited funds with the CBA	(100,000)	14,469
Precious metals	66,208	28,259
Trading securities	(100,457)	(47,830)
Derivative transactions	-	(2,135)
Amounts due from other financial institutions	3,288,643	3,907,584
Loans and advances to customers	(19,349,997)	(17,479,287)
Other assets	1,279,535	(16,061)
<b>Increase/(decrease) in operating liabilities</b>	<b>1,892,484</b>	<b>(22,929,952)</b>
Amounts due to financial institutions	3,416,065	(2,663,984)
Amounts due to customers	(1,246,276)	(20,252,151)
Trading liabilities	-	-
Other liabilities	(277,305)	(13,817)
<b>Net cash flow from operating activities before income tax</b>	<b>(9,150,163)</b>	<b>(34,237,053)</b>
Income tax paid	(192,348)	(112,000)
<b>Net cash from operating activities</b>	<b>(9,342,511)</b>	<b>(34,349,053)</b>
<b>2. Net cash flow from investing activities</b>	<b>x</b>	<b>x</b>
Purchase of investment securities	(1,909,735)	(1,607,924)
Dividends received	2,317	2,454
Purchase of property, equipment and intangible assets	(893,655)	(813,228)
Proceeds from sale of property, equipment and intangible assets	29,378	10,748
<b>Net cash used in investing activities</b>	<b>(2,771,695)</b>	<b>(2,407,950)</b>
<b>Net cash flow from financing activities</b>		
Issue of share capital	-	-
Loans received from financial organizations	(2,971,033)	-
Redemption of debt securities issued	-	-
Dividends paid to shareholders	(287,922)	(243,433)
<b>Net cash flow from financing activities</b>	<b>(3,258,955)</b>	<b>(243,433)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(15,373,161)</b>	<b>(37,000,436)</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	577,049	498,319
<b>Cash and cash equivalents at the end of the year</b>	<b>21,103,526</b>	<b>35,899,638</b>

Approval date 14.01.14



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(Executive director)

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